MANDATORY INSURANCE COVERAGE OF PUBLIC UTILITY VEHICLE(S) (PUVS) PRIOR TO LTFRB CONFIRMATION AND LTO REGISTRATION

Read online (full-text search, related cases, audio case brief): https://batas.org/library/532278c8dd39/

Records show that some public utility vehicle operators register their units with LTO even without passenger accident insurance coverage and without prior confirmation from LTFRB. As such LTO and LTFRB hereby reiterate its joint policy that prior to LTO registration of PUVs, it is mandatory to secure confirmation from LTFRB. Non-compliance of this policy is tantamount to registering an unauthorized Public Utility Vehicle.

Pursuant to Section 374 of Republic Act 1460, otherwise known as the "Insurance Code of the Philippines", it provides that: "It shall be unlawful for any land transportation operator or owner of a Motor Vehicle to operate the same in the public highways unless there is in force in relation thereto a policy insurance or guaranty in cash or surety bond issued in accordance with the provisions of this chapter to indemnify the death or bodily injury of third party or passenger, as the case may be, arising from the use thereof."

In compliance with the aforecited provisions, a Comprehensive Third Party Liability (CTPL) insurance for public utility vehicles (PUVs) shall be obtained while the passenger accident insurance shall be sourced from Passenger Accident Managers, Inc. (PAMI) and Special Alliance Management, Inc. (SAMI), the LTFRB accredited insurance management groups prior to LTFRB confirmation and LTO registration.

All LTO and LTFRB officials concerned are hereby ordered to strictly implement this joint memorandum circular. Failure to comply herewith shall be dealt with in accordance with the law.

This Joint Memorandum Circular takes effect immediately.

Adopted: 15 March 2004

For LTO:
For LTFRB:

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