

REVISED GUIDELINES ON THE HANDLING AND REGISTRATION OF MOTOR VEHICLES AND ITS COMPONENTS THAT HAVE BEEN PAID INSURANCE CLAIMS UNDER THE TOTAL LOSS CATEGORY

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These revised guidelines shall govern the handling and registration of motor vehicles and its component/s after the same shall have been reported by the Insurance Commission as having been paid their insurance claims under the total loss category of the motor vehicles insurance contract.

I. DEFINITION OF TERMS

ACTUAL Total Loss - that provision in the insurance contract that pertains to physical or material loss, or such that occurs when the motor vehicle is totally destroyed, or is rendered useless for its purpose.

CONSTRUCTIVE Total Loss - that provision in the insurance contract that pertains to commercial loss, or such loss to an extent that the property is beyond economical repair when the cost of restoring it exceeds its insured value.

II. STATEMENT OF POLICY

Only motor vehicles and/or its component/s against which insurance claims for CONSTRUCTIVE Total Loss were granted will be allowed registration.

III. REPORT OF MOTOR VEHICLES THAT HAVE BEEN PAID INSURANCE CLAIMS UNDER THE TOTAL LOSS CATEGORY

The Insurance Commission, shall submit a report to the LTO Law Enforcement Service (LES), on a monthly basis, of all motor vehicles that have been paid insurance claims under the Total Loss Category, containing the following:

- a. Photographs of the motor vehicle (front, rear, left side, right side)
- b. Motor Vehicle Number Plates;
- c. Original Certificate of Registration; and
- d. Latest Official Receipt of payment of registration fees.

IV. ALARM

The report from the Insurance Commission shall serve as the basis for the alarm in the IT system under Alarm Type “CTL-Constructive Total Loss”.

In the meantime that the Alarm Type “CTL= Constructive Total Loss” is not yet available in the LTO IT System, the designated personnel of the LES shall encode under Alarm Tupe “CR=CRIME” the file, plate, engine, and chassis numbers of the motor vehicles described in the report, within two (2) hours from receipt thereof. A screenshot of the alarm details shall thereafter be forwarded to the Central Office Operations Division (CO OD) for retrieval of records from the district office that initially registered the motor vehicle.

V. RETRIEVAL OF INITIAL REGISTRATION RECORDS

Upon receipt of the screen shot, the CO OD shall require the district office that initially registered the motor vehicle to forward certified true copies of all records of registration of the said motor vehicle for evaluation by the said Division.

VI. LIFTING OF ALARM

The applicant shall secure Lifting of Alarm Form (LOA Form) from Operations Division and proceed to the District Office nearest to the Regional Office and present the motor vehicle for inspection. For Regional Offices with Motor Vehicle Inspection Centers (MVIC), the motor vehicle shall be presented to the MVIC, except in the National Capital Region where inspection for this purpose shall be at the North Motor Vehicle Inspection Center (NMVIC).

The MV Inspector who will conduct ocular inspection on the motor vehicle placed under alarm due to Constructive Total Loss shall counter-check the stencils of the engine and chassis indicated in the Motor Vehicle Inspection Report (MVIR) Form as against the actual stencil of the engine and chassis number of the motor vehicle. Further, he must properly accomplish the remarks portion of the Lifting of Alarm (LOA Form).

Documentary Requirements:

- a. Proof of ownership;
- b. Request for lifting of alarm;
- c. Printed screenshot of alarm details;
- d. Copy of the insurance commission report where the motor vehicle applying for lifting of alarm is included; and
- e. Motor Vehicle Clearance Certificate from the PNP Highway Patrol Group
- f. Authority to transact issued by the MV owner to his authorized representative together with their respective valid IDs.

The CO OD shall secure and evaluate the request based on the result of inspection of the motor vehicle and the documents retrieved from the district office.

- a. If the motor vehicle is found to be roadworthy, the CO OD shall recommend for the lifting of alarm;
- b. If only the engine can be restored, the CO OD shall prepare a Request for System Update (RSU) to deactivate the chassis number. The alarm ID or transaction ID will then be modified to remove the alarm over the engine number and the alarm over the chassis number prepared will be made permanent. In this case, the production of duplicate number plates shall be mandatory. The restored chassis may now be used as a replacement part of component.
- c. If only the chassis can be restored, the CO OD shall prepare a Request for System Update (RSU) to deactivate the engine number. The alarm ID or transaction ID will then be modified to remove the alarm over the chassis number and the alarm over the engine number and the motor vehicle will be made permanent. In this case, the production of duplicate number plates shall be mandatory. The restored chassis may now be used as a replacement part of component.

In all cases, the CO OD shall submit its recommendations to the executive director for approval, who shall then forward the approved request to the CO Traffic Adjudication Service (TAS) for implementation.

VII. VENUE FOR REGISTRATION

The district office nearest the regional Office shall process the registration of the motor vehicles and/or its components described in this Memorandum Circular, except for NCR where the venue is at Diliman District Office.

The district office that initially registered the motor vehicle shall be furnished a copy of all records described in these guidelines.

Any personnel found violating the provisions of this Memorandum Circular shall be dealt with criminally and/or administratively in accordance with existing rules and regulations.

This amends Memorandum Circular No. VPT-2011-1602 dated 08 December 2011. All Memoranda, Orders, or other regulations inconsistent herewith are hereby revoked.

For strict compliance.

Adopted: 08 February 2012

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