

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 1699**



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Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

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**EXPLANATORY NOTE**

Every vehicle owner is required by law to secure a Compulsory Third Party Liability (CPTL). This is a mandatory requirement in order to indemnify any injured passengers or a third party from mishap without proving negligence.

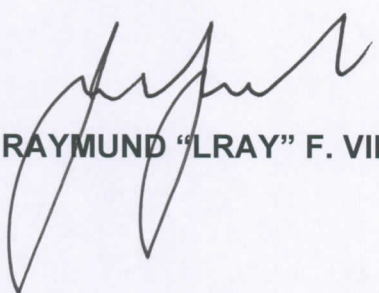
As stated in Section 378 of the Insurance Code of the Philippines, any claim for death or injury to any passenger or third party shall be paid without the necessity of proving fault or negligence of any kind in which the total indemnity in respect of any person shall not exceed five thousand pesos (P 5,000.00). Nevertheless, the claim must be accompanied by a medical certificate, police report, death certificate and receipts.

However, for the past years, the no-fault indemnity remains unchanged and considered insufficient to finance all the hospitalization and expenses for the damage done. The inadequacy considered as proof that the compensation for any injury is slow, low and not enough.

This bill seeks to increase from five thousand pesos (P 5,000.00) to fifty thousand pesos (P 50,000.00) the total indemnity claim for death or injury to any passenger or third party without the necessity of proving fault or negligence.

This bill also lessens the stress and frustration of people especially the low and marginalized who are not only hospitalized but confronted with the delay of payment by the Insurance company.

In the light of the foregoing premises, the passage of this bill is earnestly sought.



**LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

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**AN ACT**

**INCREASING THE TOTAL INDEMNITY CLAIM FOR DEATH OR SERIOUS  
PHYSICAL INJURY TO ANY PASSENGER OR THIRD PARTY WITHOUT THE  
NECESSITY OF PROVING FAULT OF NEGLIGENCE, AMENDING FOR THE  
PURPOSE SECTION 378 OF THE INSURANCE CODE OF THE PHILIPPINES**

Be it enacted by the Senate and House of Representatives of the Philippines in  
Congress assembled:

**SECTION 1.** Section 378 of Presidential Decree No. 1460, otherwise known as the  
"Insurance Code of 1978" is hereby amended to read as follows.

"Sec. 378 Any claim for death or serious physical injury to any passenger  
or third party pursuant to the provisions of this Chapter shall be paid without the  
necessity of proving fault or negligence of any kind; Provided. That for purposes of this  
section –

- (i.) The total indemnity in respect of any one person shall not exceed [five]  
FIFTY thousand pesos;"

**SECTION 2.** Payment claims for physical injuries are not serious, as defined under  
the Revised Penal Code, of any passenger or third party pursuant to the provision of



this Chapter without necessity of proving fault or negligence of any kind shall be maintained at Five Thousand Pesos (Php 5,000.00).

**SECTION 3.** This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

*Approved,*