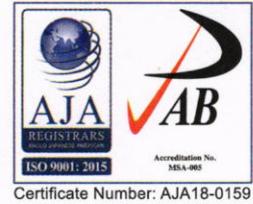




Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



Legal Opinion (L.O.) No.:	LO-2019-08-A
Date:	June 19, 2019

MR. MARIO O. YAP

President

**Confederation of Truckers Association
of the Philippines (CTAP)**

11th Floor, Unit Y1 & Y2 Adriatico Building,
Padre Faura St. corner Bocobo Street
Ermita, Manila

SUBJECT: Comprehensive Motor Insurance on Trailers

Dear Mr. Yap:

This pertains to your letter seeking the Insurance Commission's guidance on whether there is a need to obtain Comprehensive Motor Insurance Policy (comprehensive insurance) on trailers despite the fact that the same were already secured by a Third Party Liability ("TRL") Insurance as required by the Land Transportation Office ("LTO").

In effect, you seek clarification on whether the coverage of the comprehensive insurance on the truck head should be interpreted to include the trailer.

After a careful evaluation, this Commission finds that as a general rule, trailers are not covered by the tractor head's Comprehensive Insurance.

Please note that, for insurance purposes, separate policies for both the tractor head and the trailer are still necessary.

However, when it comes to bodily injury or death as well as damage to property of third party under Sections I, II, and Items No. 1 and 2 of Section IV of a standard Comprehensive Insurance, it is immaterial whether there be separate Comprehensive Insurance for the tractor head and the trailer because the tractor head will be held liable for being in control of the motion of the trailer whilst attached to the tractor head. Hence, the Comprehensive Insurance of the tractor head will be held liable for third

party liability arising from death, bodily injury or third party property damage, *provided* that the proximate cause is not directly attributable to the trailer and/or its defects.

Our Ruling

I. The Tractor Head and Trailer are generally treated as separate vehicles and therefore, require separate insurance coverage.

As a general rule, the Commission finds that there should be a separate Comprehensive Insurance for the tractor head and the trailer considering that the tractor head and the trailer are treated as separate vehicles for insurance purposes.

As separate vehicles with separate owners, each part is capable of causing damages, bodily injuries and/or death. Thus, the need for separate Comprehensive Insurance policies.

This rule, however may be subject to certain qualifications as will be discussed hereunder.

II. Under the Section I (Liability to the Public), Section II (No Fault Indemnity) and Section IV (Excess Liability) Provisions of a Standard Comprehensive Insurance, the comprehensive insurance of the tractor head is generally presumed to be liable for the damages, bodily injury and/or death while the trailer is attached to and towed by it.

A standard Comprehensive Insurance includes the following, to wit:

a. Section I — Liability to the Public:

In this Section, the insurance company undertakes to pay all sums necessary to discharge liability of the insured arising from all expenses and damages directly resulting from any bodily injury and/or death to any Third Party¹, subject to the Limits of Liability, and provided that the liability of the insured must have first been determined.

¹ Third Party (as defined under the standard Comprehensive Motor Insurance Policy) — any person other than the passenger as defined under the law which also excludes a member of the household, or a member of the family within the second degree of consanguinity or affinity, of a motor vehicle owner or his employee in respect of death, bodily injury or damage to property arising out of and in the course of employment, in an accident caused by or arising out of the use of the Insured Vehicle.