



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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PRESS RELEASE

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IC COMMISSIONER REMINDS UBER AND GRAB ON MANDATORY INSURANCE COVERAGE FOR PASSENGERS

Insurance Commissioner Dennis B. Funa reminds transport network companies (TNCs) Uber and Grab to comply with the mandatory insurance coverage under the Passenger Personal Accident Insurance Program (PPAIP).

This came after the crackdown of the Land Transportation Franchising and Regulatory Board against Uber and Grab for allegedly allowing drivers to operate vehicles without proper registration as transport network vehicle services.

According to Commissioner Funa, "Based on the data submitted by PAMI, there were only 21,353 certificates of insurance coverage it issued for vehicles operating under Uber while only 6,719 certificates of insurance coverage was issued for vehicles operating under Grab."

"SCCI, on the other hand, reported that it has issued more or less 15 Passenger Personal Accident Insurance policies under Uber and Grab," he added.

Commissioner Funa said, "If based on the earlier reports that there are a total of 50,000 Uber and Grab active drivers and assuming that each driver corresponds to one vehicle, only 56.18% of the total Uber and Grab vehicles plying on the roads are covered by the mandatory passenger insurance."

Based on the data from the IC, a total of 392,299 vehicles are insured under the PPAIP in 2016.

Commissioner Funa said, "In terms of the type of vehicles insured in 2016, the jeepney segment has the highest share with a total of 176,213 units, a decline of 2% from the 179,815 insured jeepneys in 2015. On the other hand, the Sedan segment increased by 64.94% from 55,129 insured vehicles in 2015 to 90,930 vehicles in 2016 due to the presence of transport network companies such as Grab and Uber."

"In terms of insurance claims paid, SCCI and PAMI paid insurance claims equivalent to P63.01 million in 2016, 73.40% of which or P46.25 million were paid as death benefits claims," he said.

According to Commissioner Funa, the number of incidents for PUVs continue to rise from 2014 to 2016. In 2016, a total of 1,044 incidents were recorded by SCCI and PAMI, an increase by 10.95% compared to the 941 incidents reported in 2015 with an average increase of 27.4% from 2014.

Under the Insurance Code, it shall be unlawful for any land-transportation operator or owner of a motor vehicle to operate the same in public highway, unless there is in force, in relation thereto, a policy of insurance or guaranty in cash or surety bond to indemnify the death, bodily injury and/or damage to property of a third party or passenger, as the case may be, arising from the use thereof.

Under the PPAIP, public utility vehicles are required to procure insurance coverage for their passengers, including the driver, which provides for accidental death benefits and bodily injury benefits.

Under the current PPAIP, the LTFRB entered into a 3-year Memorandum of Agreement with two insurance consortia managed by two (2) companies—SCCI Management and Insurance Agency Corporation (SCCI) and Passenger Accident Management and Insurance Agency, Inc. (PAMI).

Under the Enhanced PPAIP, the maximum amount of death benefit is in the amount of P200,000 per passenger (from the previous P150,000 per passenger) while the amount of benefits for bodily injuries are based on a schedule of benefits provided under the policy depending on the injury sustained.

Commissioner Funa emphasized that, "As public transportation in the Philippines continues to evolve, it is very important for all PUVs to have sufficient insurance coverage for the protection of the riding public in the event of accident, and for the alleviation of the difficulty in paying hospital claims and death benefits to their passengers."


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