



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



PRESS RELEASE
31 July 2017

IC EVALUATES PROPOSED ENHANCEMENT IN THE INSURANCE BENEFITS FOR PUV PASSENGERS

Insurance Commissioner Dennis B. Funa announced that the Insurance Commission is currently evaluating the proposal from 1-Utak, a transport group, to enhance the Passenger Personal Accident Insurance (PPAI) Program.

According to Commissioner Funa, "The Commission received a proposal from 1-Utak, to double the amount of death benefit under the PPAI Program from the existing P200,000 to P400,000.

"The proposal also seeks to increase the medical benefits to P100,000," Commissioner Funa added.

Under the current PPAI Program, the maximum medical treatment benefits is in the amount of P5,000 without the need to be supported by receipts and P20,000 if substantiated by receipts.

A full education scholarship is likewise being proposed by 1-Utak.

According to Commissioner Funa, "The educational assistance given to one child of the deceased driver and conductor is only a one-time educational assistance. The current proposal is for a full educational scholarship, meaning up to a four (4)-year college degree."

Aside from the increase in the amount of certain benefits under the PPAI Program, the proposal includes the inclusion of family allowance and drivers' training fund.

Commissioner Funa said that, "The proposed family allowance in the amount of P1,000 per day shall be given to the family for a period of thirty (30) days while the beneficiary is confined in the hospital or for a period of seven (7) days in case of interment."

The transport group likewise requested for the establishment of a Drivers' Training Fund to be administered by the Land Transportation Franchising and Regulatory Board. According to 1-Utak, this will help operators, especially those who cannot afford, to provide training for drivers, in support of the LTRFB's Drivers Academy Program.

Relative to the Jeepney Modernization Program, it was likewise proposed that the lead insurers of the LTFRB-accredited management companies for the PPAI Program be required to invest fifty percent (50%) of the funds derived from therefrom in transport vehicle modernization program.

"These proposals are currently being evaluated by the Insurance Commission. We are set to meet with the representatives from the non-life insurance industry and the two (2) accredited insurance groups managed by Passenger Accident Management and Insurance Agency, Inc. (PAMI) and SCCI Management and Insurance Agency Corporation, Inc. (SCCI)," said Commissioner Funa.

"The Insurance Commission supports any increase in the benefits to be given under the PPAI Program to afford more protection to passengers of public utility vehicles, its drivers and conductors. However, as a general rule, any increase in the benefits would result in the increase of premiums. Thus, our study is aimed to have a win-win situation between the riding public and operators of public utility vehicles," said Commissioner Funa.

"Part of the evaluation of this proposal is looking into the increase of benefits with minimal or no effect on the amount of premium to be paid by public utility vehicle operators," Commissioner Funa added.

In 2015, the Insurance Commission, in coordination with the LTFRB, agreed to increase the amount of benefits under the PPAI Program and included medical implant as one of the benefits. Such increase was made with no corresponding increase in the premium rates, except for buses which was increased by P500.


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