



Technical Report

PROPOSED SYSTEM DESIGN: Compulsory Insurance Database System for the Insurance Commission (IC-CID)

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Prepared for

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Preface

This report is the result of technical assistance provided by the Economic Modernization through Efficient Reforms and Governance Enhancement (EMERGE) Activity, under contract with the CARANA Corporation, Nathan Associates Inc. and The Peoples Group (TRG) to the United States Agency for International Development, Manila, Philippines (USAID/Philippines) (Contract No. AFP-I-00-00-03-00020 Delivery Order 800). The EMERGE Activity is intended to contribute towards the Government of the Republic of the Philippines (GRP) Medium Term Philippine Development Plan (MTPDP) and USAID/Philippines' Strategic Objective 2, "Investment Climate Less Constrained by Corruption and Poor Governance." The purpose of the activity is to provide technical assistance to support economic policy reforms that will cause sustainable economic growth and enhance the competitiveness of the Philippine economy by augmenting the efforts of Philippine pro-reform partners and stakeholders.

This technical report was completed by Januario Aliwalas, Team Leader, Edmund Jose Guamen, Systems Analyst, and Atty. Antonio Jamon, Jr., Legal Expert, in January 2007. The technical assistance was requested by the Commissioner of Insurance, Evangeline Escobillo, in a letter dated September 8, 2006, "to develop and maintain a capability to ensure the authentication of all issuances of compulsory insurance policies including the Compulsory Third Party Liability Insurance for Motor Vehicles or CTPL."

The views expressed and opinions contained in this publication are those of the authors and are not necessarily those of USAID, the GRP, EMERGE or its parent organizations.

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His areas of IT expertise are in information systems planning and review, which consist of process facilitation and development of IS plans and review of systems for strategic adjustments; IT audit and training; development of policies, procedures and standards; change management; and project management. A respected educator and management facilitator, Mr. Aliwalas teaches Quantitative Analysis, Management Science, Managerial Statistics, and Managing Concepts for Information Technology at the Ateneo Graduate School of Business.

A State Scholar, Mr. Aliwalas finished his Bachelor of Science in Mathematics with *Summa Cum Laude* honors. He earned his Master in Business Management degree from the Asian Institute of Management. He holds an International Certificate in Purchasing and Supply Chain Management (with Distinction), ITC/UNCTAD, 2005. He is currently the President and CEO of Outsource IT Dynamics Inc.

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A holder of degrees in Political Science and Laws from the University of the Philippines, he is a Senior Partner of Kintanar Jamon Parungo and Ladia Law Firm and is currently the Legal Advisor of Property Rights Team of Asia Foundation. He also teaches International Law at the University of the Philippines in Diliman and a regular television and radio talk show co-host of two news and public affairs programs.

EXECUTIVE SUMMARY

The Insurance Commission (IC), under the Insurance Code, is the governing body that is mandated to regulate and monitor the issuance of various compulsory insurance policies. There are about five (5) compulsory policies that the IC should be monitoring, namely: a) Compulsory Third Party Liability (CTPL); b) Passenger Personal Accident Insurance (PPAI); c) Comprehensive General Liability (CGL); d) Marine Passenger Insurance; and e) Mandatory Environmental Insurance. At present, the issuance of Marine Passenger and Mandatory Environmental insurances is suspended for various reasons.

The initial findings of the Asian Institute of Management Scientific Research Foundation – Ramon V. del Rosario Sr. Center for Corporate Responsibility – Hills Governance Program show that compliance with the Insurance Code with regard to CTPL in the registration of motor vehicles is the most problematic. Aside from non-payment of claims to the insuring public, the proliferation of fake, spurious or unauthorized Certificates of Cover (COCs) also defrauds the government millions of pesos in terms of loss tax revenues. There is also a noted disparity on the IC and LTO data in terms of the number of CTPL issued against the total number of vehicles registered. One of the suggestions to address these chronic problems is for the IC to maintain a database of compulsory insurance transactions for the purpose of authenticating these and facilitating the motor vehicle registration system of LTO and renewal of land transportation business franchises of LTFRB. The information in the database may also be shared with the BIR for improving tax enforcement.

This document details the design of the IC Compulsory Insurance Database (IC-CID) the objectives of which are: a) to develop a capacity in the IC to monitor and authenticate compulsory insurance transaction; b) to reduce the incidence of fraudulent compulsory insurance transactions including the CTPL; c) to ensure the proper collection of taxes on compulsory insurance transactions; and, d) to reduce red tape and corruption by integrating this capacity in the Insurance Commission with the motor vehicle registration system of the LTO, the application/renewal system for land transportation business franchises of the LTFRB, and the tax collection system of the Bureau of Internal Revenue.

In carrying out the objectives stated above, the following features were considered in designing the IC-CID system:

- a. Database will be maintained/managed by IC. The database will contain records of all compulsory insurance policies issued during the year by the insurance companies. A new record is created each year.
- b. Insurance Companies/Agents will enter policy data and create database record using a web interface
- c. Agent will use the banking system to pay premiums; Bank will update the IC-CID and distribute premium received to various parties. It will also submit an electronic file of all payments made during the month to IC.
- d. LTO (or other government agencies) will use IC-CID to verify policy, compare details of the property being insured and tag those policies already used in registration/license renewal
- e. Month-end reports will be generated as a result of reconciliation between IC-CID and LTO (or other agency) database

Part of this documentation is the presentation of the general processes involved in the CTPL registration, payment, authentication at LTO and the daily monitoring by the IC. The proposed stages of development including the database elements, detailed program specifications, hardware and network plans, system management and manpower plan, implementation timetable and detailed budget also form part of this documentation.

It is expected that the proposed IC-CID will be developed and will be in full operation by end-July of this year. It is estimated to cost the IC about PhP10 million to build the database, while IC has to set-aside PhP212 thousand for its monthly recurring cost and PhP1.5 million for its annual recurring cost starting year 2.

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List of Acronyms

Acronym	Meaning/Definition
AIM-RVR-Hills Governance Program	Asian Institute of Management Scientific Research Foundation – Ramon V. del Rosario Sr. Center for Corporate Responsibility – Hills Governance Program
BIR	Bureau of Internal Revenue
CGL	Comprehensive General Liability
COC	Certificate of Cover
COCAS	Certificate of Cover Authentication System
CPC	Certificate of Public Convenience
CTPL	Compulsory Third Party Liability
DENR	Department of Environment and Natural Resources
EMERGE	Economic Modernization Through Efficient Reforms and Governance Enhancement
IC	Insurance Commission
ISAP	Insurance Surety Association of the Philippines
DTech	DTech Management Inc.
EPICLI	Environmental Pollution, Impairment and Clean-up Liability Insurance
LGU	Local Government Unit
LTFRB	Land Transportation Franchising and Regulatory Board
LTO	Land Transportation Office
MARINA	Maritime Industry Authority
PAMI	Philippine Accident Managers, Inc.
PPAI	Protective Personal Accident Insurance
PIRA	Philippine Insurance Rating Association
STRADCOM	LTO's IT Service Provider
SMS	Short Messaging Service
UNITRANS	Universal Transport Solution, Inc.
USAID	United States Agency for International Development

1. BACKGROUND AND SCOPE OF THE STUDY

The Asian Institute of Management Scientific Research Foundation – Ramon V. del Rosario Sr. Center for Corporate Responsibility – Hills Governance Program received a grant from USAID-EMERGE for the conduct of a study cum technical assistance in integrating the system of motor vehicle registration, land public transport franchising, insurance and taxation. The project focuses on two interrelated government frontline services, namely: motor vehicle registration and land transport franchising and the related sub-processes of insurance and taxation. These processes thread through the Land Transportation Office (LTO), Land Transportation Franchising and Regulatory Board (LTFRB), Insurance Commission (IC), and Bureau of Internal Revenue (BIR).

The initial findings of the project show that compliance with the Insurance Code with regard to Compulsory Third Party Liability (CTPL) in the registration of motor vehicles is the most problematic. A comparison of IC and LTO data yields a significant disparity between registered vehicles and vehicle insurance collected. In 2004 for example, an estimated PhP 2.8 billion in premiums should have been collected based on LTO registration data, but only PhP 1.6 billion in premiums were declared with the IC by the insurance companies. Senator Juan Ponce Enrile also revealed that in 2003, the CTPL insurance business was worth PhP2.5 billion to ensure about 4.3 million vehicles that were registered with the LTO. However, only PhP1.3 billion pesos of insurance premiums were recorded. Aside from non-payment of claims to the insuring public, the proliferation of fake, spurious or unauthorized Certificates of Cover (COCs) also defrauds the government millions of pesos in terms of loss tax revenues. For 2004, IC estimates the loss in tax revenue at PhP 270 million.

The proliferation of fake COCs indicates the failure of the current COC Authentication System (COCAS) being operated and managed by SQL Wizard, Inc. and the verification process that is contracted to DTech Management Inc. It should, however, be noted that the disparity between IC and LTO data could also be attributed under-declarations made by insurance firms to the IC to evade payment of taxes.

To address these issues, it was recommended by the heads of the four agencies participating in the project that IC takes a more active role than it had been in the past in solving the problem and improving tax collection. It is suggested that IC establish and maintain a database of compulsory insurance transactions for the purpose of authenticating these and facilitating the motor vehicle registration system of LTO and renewal of land transportation business franchises of LTFRB. The information in the database may be shared with the BIR for improving tax enforcement. This capacity is pivotal in ensuring the successful integration of the motor vehicle registration system of LTO, the land transportation franchise application and renewal system of LTFRB, and the tax collection systems of the BIR.

The Insurance Commissioner plans to use the Insurance Fund to develop the database and the applications that go with it, including the required hardware for this web-based system. However, the Commission has asked EMERGE to help in preparing the technical proposal and other requisite documentation in tapping the Insurance Fund, which is beyond the scope of the AIM-RVR-Hills Governance project.

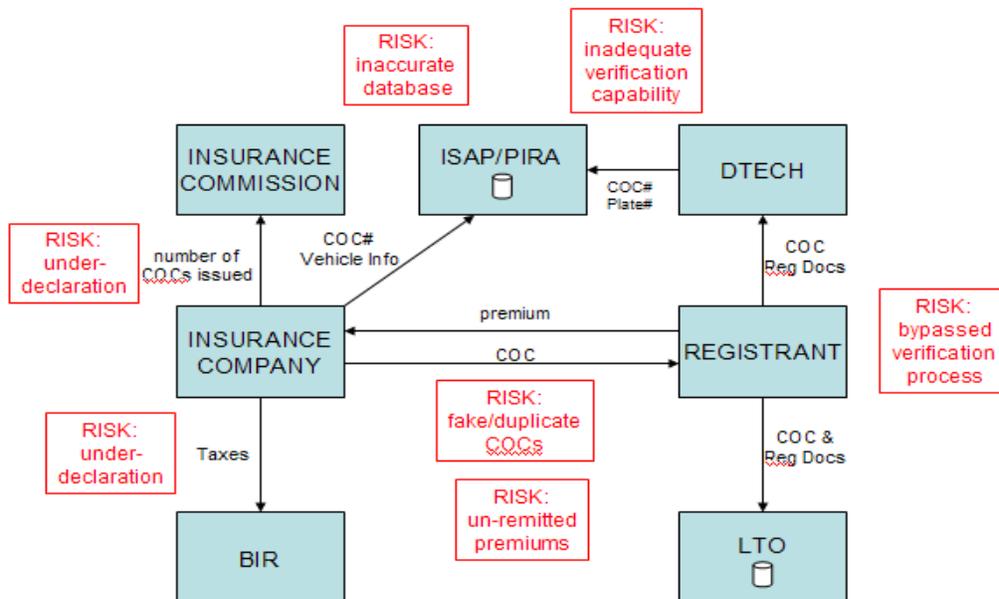
EMERGE agreed to sponsor the technical assistance activity that shall involve designing and legally enabling a system that shall provide the IC with a way to ensure that all issuances of compulsory insurance policies (foremost among which is the Compulsory Third Party Liability Insurance for Motor Vehicles or CTPL) are valid, to enable it to serve as a clearing house to be used by the LTO and LTFRB in verifying the authenticity of these policies, and to help the BIR in enforcing tax measures on compulsory insurance policies.

2. CURRENT SYSTEM DESCRIPTION

The current authentication and verification process for CTPL COCs uses a centralized database system called COCAS (COC Authentication System). COCAS was developed by SQL Wizard and is owned by the Philippine Insurers and Reinsurers Association (PIRA). When CTPL insurance is sold to the registrant, the insurance company encodes insurance and vehicle data into COCAS using the Internet. The registrant then passes through a verification step at a station (handled by DTECH Management Inc) located in LTO District Office premises, where the authenticity of the COC is verified. At this stage, a DTECH representative connects (using the internet or SMS) to COCAS, encodes COC and vehicle information, and affixes a sticker on the COC if verification is received.

The registrant then submits documents to the LTO evaluator, where the evaluator checks whether the COC has indeed been verified by ensuring that a sticker is present, before proceeding with the registration transaction. The insurance firms eventually declare the number of COCs they have issued to the IC and pay the corresponding taxes to the BIR. The following diagram illustrates the process described. The transaction risks associated with each step in the process are also indicated.

Figure 1. Current CTPL System



3. CURRENT SYSTEM LIMITATIONS, WEAKNESSES, RISKS, & THEIR CAUSES

As gathered from the AIM report, there are limitations with the current process, among them:

- The verification system can be bypassed. Registrations may be allowed by the LTO without DTECH authentication, thereby possibly allowing for fake or duplicate COCs.
- DTECH capability has been put into question. Technical difficulties have been encountered and observed.
- The COCAS database could be outdated or unsynchronized since the encoding phase could be delayed or bypassed.
- Under-declarations could occur between insurance companies and the IC/BIR.
- IC is not in the loop as it has no access to the COCAS database

In addition, there is no electronic link from COCAS to the LTO database, nor are there data reconciliation steps to detect discrepancies between the two databases. Data from 2004 indicate a disparity between IC and LTO data: an estimated PHP 2.8 billion in premiums should have been collected according to LTO registration data, but only PHP 1.6 billion has been declared with the IC. This disparity also has consequences on the taxes remitted to the government (approximately PHP 270 million, in the case of year 2004).

The table below is a summary of the needs of the various stakeholders of the CTPL System and an analysis of how the current system is performing in terms of meeting the need:

Table 1. Stakeholders' Needs and Current System Performance

Stakeholder	Needs	Current System Performance Cause of Risk (Weaknesses/Problems)
1. Insurance Commission	<ul style="list-style-type: none"> • Plug tax leakages • Monitor CTPL issuances of insurance companies • Stop issuance of fake (issuances) insurance policies • Stop practice of using 'duplicate' policies • Own database 	<ul style="list-style-type: none"> • No reconciliation between LTO, IC and BIR • Dishonest employees (LTO) • IC is not involved in the registration process • IC does not receive details of COC policies issued by insurance companies • IC is not computerized • PIRA owns the database
2. Insured/Registrant	<ul style="list-style-type: none"> • Genuine insurance policies • Fast registration process 	<ul style="list-style-type: none"> • Proliferation of fake policies • Downtimes (3 hours)
3. Land Transportation Office	<ul style="list-style-type: none"> • Implement the law • Check authenticity of COC policy • Know details of COC issuances of all insurance companies • Make sure all registrations have valid COCs (one-to-one) 	<ul style="list-style-type: none"> • By-passed verification process <ul style="list-style-type: none"> ⇒ Dishonest LTO employees ⇒ System downtimes • Verification done by private entity (DTech) • Unreliable database (not owned/managed by IC)

Stakeholder	Needs	Current System Performance Cause of Risk (Weaknesses/Problems)
		<ul style="list-style-type: none"> • Inadequate verification capability <ul style="list-style-type: none"> ⇒ Inaccurate database ⇒ Incomplete database • Issues more registrations than COCs
4. BIR/National Government	<ul style="list-style-type: none"> • Plug tax leakages 	<ul style="list-style-type: none"> • Fake policies • Underreporting/under declarations by insurance companies (unreported policies)
5. Insurance Companies	<ul style="list-style-type: none"> • Premiums are paid and paid on time • More business • Less regulations • Less taxes • Less reportorial requirements 	<ul style="list-style-type: none"> • Fake policies • Duplicate use of policies issued • Non-payment of premium
6. ISAP/PIRA	<ul style="list-style-type: none"> • Police their ranks 	

4. FIVE COMPULSORY LINES

The Compulsory Insurance Database System for the IC (IC-CID) shall be built not only for the COC but also for the other types of insurance covers that are either currently required or are planned to be required soon.

The compulsory policies that will be accommodated by the system shall include the following:

- a. Compulsory Third Party Liability (CTPL)
- b. Passenger Personal Accident Insurance (PPAI)
- c. Comprehensive General Liability (CGL)
- d. Marine Passenger Insurance
- e. Mandatory Environmental Insurance

a. Compulsory Third Party Liability (CTPL) and the LTO

This is the basic insurance coverage required by law (as stated in Chapter VI of the Insurance Code) for the registration of vehicles. This coverage will answer for the death, disablement and medical expenses of a person injured because of an accident involving registered vehicles.

The current program includes twenty one (21) CTPL premium rate variants but there is a proposal to reduce it to seven (7) types only; namely:

- Private Vehicles
- Commercial Vehicles with unladen weight of below 3,930 kilograms
- Commercial Vehicles with unladen weight of 3,930 kilograms and over
- Motorcycles and tricycles
- AC Tourist Cars
- Taxis, Public Utility Jeepneys and Minibuses
- Public Utility and Tourist Buses

The provisions of Chapter VI of the Insurance Code of the Philippines currently govern this compulsory insurance requirement. Annex 6 is a copy of the provisions of the Code. The Land Transportation Commission is the agency tasked to implement this requirement.

b. Passenger Personal Accident Insurance (PPAI) and the LTFRB

To protect passengers of public utility vehicles, the LTFRB required all operators of public utility vehicles to secure an 'all risk – no fault' passenger personal accident insurance coverage prior to the annual renewal of their franchise.

A copy of the Memorandum Circular issued by the LTFRB outlining the implementing guidelines is attached as Annex 1.

Two general agents, Philippine Accident Managers, Inc. (PAMI) and Universal Transport Solution, Inc. (UNITRANS), are involved in the odd-even system. PAMI and UNITRANS each represent a group of non-life insurance companies. The practice is for the insurance company to issue a master policy to an operator and individual insurance certificates to each public utility vehicle operated by the named operator. Tariff rates do not apply to PPAI.

LTFRB currently does not authenticate the PPAI policies upon renewal of franchise. There have been no major complaints so far from the insuring public since LTFRB could easily monitor the two groups of insurers and all claims are being paid promptly. There are around 500,000 public utility vehicles being registered at LTFRB. Industry sources agree that it is possible that some of the policies being presented/sold are fakes. Even if the policies presented upon the filing of a claim are fakes, UNITRANS or PAMI is still expected to pay the claim.

The data about the vehicle needed to authenticate the PPAI policy is the same as those needed for the CTPL.

c. Comprehensive General Liability (CGL) and the LGUs

Comprehensive general liability coverage insures a business against accidents and injury that might happen on its premises, as well as exposures related to its products. It will protect the business from payments for bodily injury or property damage to a third party, for medical expenses accruing to the underlying incident, for the cost of defending lawsuits including investigations and settlements, and for any bonds or judgments required during an appeal procedure.

The basic CGL coverage required in most cities/municipalities for the issuance of business licenses is the **CGL- Premises Operations** coverage that will answer for liabilities incurred in connection with the ownership, maintenance and use of the business premises. For instance, a customer injured by slipping on wet floor may hold the shop owner liable. CGL - Premises Operations insurance can cover expenses in handling such cases

Companies can also avail of other CGL coverages suited to its specific needs. Examples are the **Elevator Hazard**, cover which can protect against liability arising out of the ownership, maintenance **and** use of elevators.

Independent Contractor's Liability, for contingent liability to other people caused by contractors working for the company. **Contractual Liability**, for liabilities arising from operations a company performs for another person or entity.

In authenticating CGL policies, the following data elements are necessary:

- Policy Number
- Insurance Company Code
- Name of the Insured Business

- Address of the Premises
- Period Covered
- Amount of Coverage
- Premiums Paid

A major issue that needs to be considered when automating the authentication of CGL policies is the ability of the local government units (the cities and municipalities requiring CGL) to connect electronically to IC's database.

d. Marine Passenger Insurance and the MARINA

For a period up to 1999, Maritime Industry Authority (MARINA) had been implementing a rule that no Certificate of Public Convenience (CPC) shall be issued nor renewed unless and until a satisfactory passenger insurance coverage is submitted to the office (MARINA). The details of the required coverage were as follows:

- Minimum Amount of Cover is PhP100,000.00 per passenger to cover every person as per total passenger capacity indicated in the Certificate of Inspection.
- Aggregate Limit of Liability is the total amount to cover the capacity of the carrying vessel as per its Certificate of Inspection placed at PhP100,000.00 per passenger.
- All passengers carried by a passenger-carrying vessel manifested, unmanifested, ticketed, unticketed including minors (regardless of age), shall be covered by a passenger insurance.

For some reason, the mandatory requirement was suspended and a new policy is being reviewed. According to the IC, the insurance industry recently submitted a proposed scheme to the MARINA. Once approved by the MARINA, the plan goes to the IC for final review and approval

Annex 2 shows the memorandum circulars issued by the MARINA on the compulsory passenger insurance cover.

e. Mandatory Environmental Insurance and the DENR

In April 2005, the Department of Environment and Natural Resources (DENR) instituted a system of mandatory environmental insurance coverage to ensure adequate and timely environmental rehabilitation, clean-up, remediation and protection. The DENR will not issue an Environmental Compliance Certificate unless a policy called the Environmental Pollution, Impairment and Clean-up Liability Insurance (EPICLI) is secured by the business owner. Annex 3A is a copy of the 5-page administrative order issued by the DENR.

In February 2006, the DENR suspended the implementation of the compulsory insurance requirement 'in the light of the need to conduct more consultations with key stakeholders and perform capability building measures in the institutions concerned'. Annex 3B is a copy of the suspension order.

5. OBJECTIVES OF THE DATABASE SYSTEM

The IC Compulsory Insurance Database (IC-CID) system is designed to serve the following objectives:

- a. To develop a capacity in the IC to monitor and authenticate compulsory insurance transactions.
- b. To reduce the incidence of fraudulent compulsory insurance transactions including the CTPL.
- c. To ensure the proper collection of taxes on compulsory insurance transactions.
- d. To reduce red tape and corruption by integrating this capacity in the Insurance Commission with the motor vehicle registration system of the LTO, the application/renewal system for land transportation business franchises of the LTFRB, and the tax collection system of the Bureau of Internal Revenue.

6. FEATURES OF THE DATABASE SYSTEM

In carrying out the objectives stated above, the following features were considered in designing the IC-CID system:

- a. Database will be maintained/managed by IC. The database will contain records of all compulsory insurance policies issued during the year by the insurance companies. A new record is created each year.
- b. Insurance Companies/Agents will enter policy data and create database record using a web interface
- c. Agent will use the banking system to pay premiums; Bank will update the IC-CID and distribute premium received to various parties. It will also submit an electronic file of all payments made during the month to IC.
- d. LTO (or other government agencies) will use IC-CID to verify policy, compare details of the property being insured and tag those policies already used in registration/license renewal
- e. Month-end reports will be generated as a result of reconciliation between IC-CID and LTO (or other agency) database

7. STAGES OF DEVELOPMENT AND DEVELOPMENT STRATEGY

While the System can be developed in full all at once, it is recommended that the System be built in stages (each one introducing an increasing level of functionality), to allow the Insurance Commission to build the database while coordination work is underway to finalize the method of linking with other agencies. The proposed levels of development are the following:

- a. **Level 1** – Build the Database and Connect the Insurance Companies
- b. **Level 2** – Incorporate Authorized Banks into the system for payment of premiums
- c. **Level 3** – Push Information to the LTO for COC Verification
- d. **Level 4** – Reconcile with LTO database

a. **Level 1 - Build the Database and Connect to the Insurance Companies**

The objective of this level is to enable the IC to monitor all compulsory policies issued by the various accredited insurance companies. This is already happening now except that the database being used is the COCAS database which is owned by the insurance industry. Other justifications for the building of database include:

- IC needs to monitor all COC's issued due to large number of policies and large potential risks related to this line of insurance.
- The database will enable the IC to ensure compliance with compulsory requirement by comparing issuances with number of vehicles in the country (for COC)
- IC will also be able to forward to BIR some data that can be used to estimate amount of tax payable by the insurance companies

b. **Level 2 – Incorporate and Connect the Authorized Banks into the system for payment of premiums**

This feature will lessen the chances of non-payment of taxes or delayed payment of taxes. At this level also, the immediate payment of amounts to the government and other parties involved by or requiring payment of premiums via the Banking System will be ensured.

The Agent, Insurance Company or the Insured shall be able to pay the premiums for the compulsory policies by accessing an internet-enabled system that connects them to the authorized banks that can accept payments. The bank, in turn, accesses the IC-CID and updates the records using the payments received.

The bank at the end of a period, shall distribute the premiums received to several parties using pre-agreed arrangements. At periodic intervals, the IC reconciles data reported by the banks versus the data inside the IC-CID. IC can likewise check under-reporting of premiums by Insurance Companies. Payment through the bank is a pre-requisite for registration

c. Level 3 – Enable the LTO to access the IC-CID for verification or push information to the LTO for its use

The objective of this level is to provide data to LTO for verification of the compulsory policy before it proceeds with the registration. This is also intended to have the following effects:

- Stop issuance of “fake policies”
- Stop illegal ‘franchising agreements’
- Stop use of one policy many times (multiple use)
- Need to protect the insuring public against fake policies and fraudulent practices

In this part of the System, the IC-CID will forward the details of all valid compulsory policies that were reported to its database. The records will be passed on to LTO (or any other agency) on a real-time (as-they-are created basis).

This functionality will require the LTO (or other government agencies) to maintain a file of all valid compulsory policies. This file shall be used by the Agency to check the validity of the policy upon registration.

d. Level 4 - Reconcile with LTO database

At end of each month, the government agency (e.g. LTO) shall extract a file of all policies used in the registration process. This file shall contain **as a minimum** the following information:

- Registration Number (or any sequence number)
- Registration Date
- Insurance Company Code
- COC/Policy Number

After the extraction, the LTO/government agency shall submit the electronic file to the IC. The IC in turn, shall run a program that will match the file submitted by LTO against the contents of the IC-CID.

Exception and Summary reports shall be prepared for distribution to various stakeholders.

8. PROPOSED PROCESS FLOW

The following table enumerates the steps, process flow and their corresponding descriptions including the modules that are essential in the IC-CID system.

Step No.	Process Flow and Programs
1	Insured calls his agent/broker and instructs the agent/broker to buy a compulsory policy from any of his preferred insurance companies. (OR Insured goes to LTO and buys COC from an authorized Ins Company Office at LTO). Agent or Broker goes to the Insurance Company. Insurance Company agrees to issue the policy. Insurance Company issues COC.
2	Agent receives the payment (Check or Cash) from the insured
3	Insurance Company or the Agent accesses the IC-CID from any internet-connected terminal and creates a record. (Program: CTPL-DERIC)
4	Agent/Insurance Company accesses a bank payment portal (any electronic means of paying) or goes to any authorized Bank. Bank System issues official receipt and updates the IC-CID for payment. (Program: CTPL-PUB)
5	IC-CID forwards/pushes a copy of the CTPL reported to the database to the LTO. (Program : CTPL -DERIC)
6	Agent gives the Policy and the Official Receipt to the Insured.
7	Bank distributes the premium payment at end of day in Batch Mode (Program: CTPL-DFEE)
8	Insured goes to LTO (or the pertinent government agency) to register/renew license etc.
9	The LTO program checks its copy of the IC-CID. If the policy is valid, it will: a) compares the policy details with the registration details, b) prints a report if unmatched, c) tags the IC record as used then proceeds with the registration (PUSH Approach (Program: CTPL-VLTO)
10	Insured gets the registration/renewal papers.

End-of-month Processing Steps

Step No.	Process Flow and Program Module
10	LTO runs program to extract all COC policies used by vehicles registered during the month from its database. (Program: CTPL-ELTOR)
11	LTO forwards to IC a copy of the extracted file
12	IC runs a program to compare extracted file with the IC-CID and outputs an exception file. (Program: CTPL-CICLTO)
13	IC runs a program that will process the exception file and outputs a report for the Insurance Companies, the LTO, the BIR, and in some cases, the insured (Program: CTPL-REPORT). Part of these is a report that compares all COC issued and registered in the IC-CID versus those paid (tagged also within the COCTT table
14	IC runs a program that will generate statistical/ management information reports for the IC Commissioner (Program: CTPL-REPORT)

The following figures illustrate the steps:

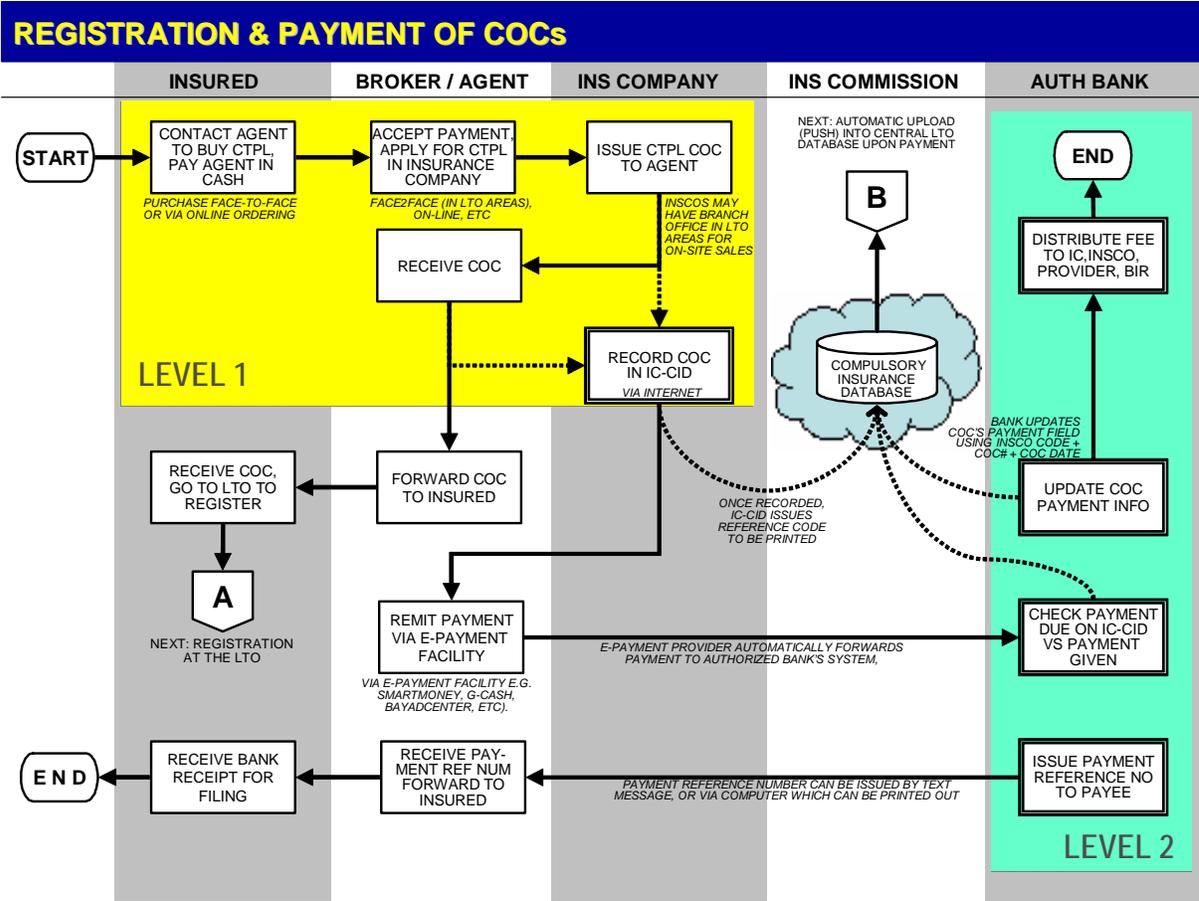


Figure 3. Checking COC Authenticity at the LTO

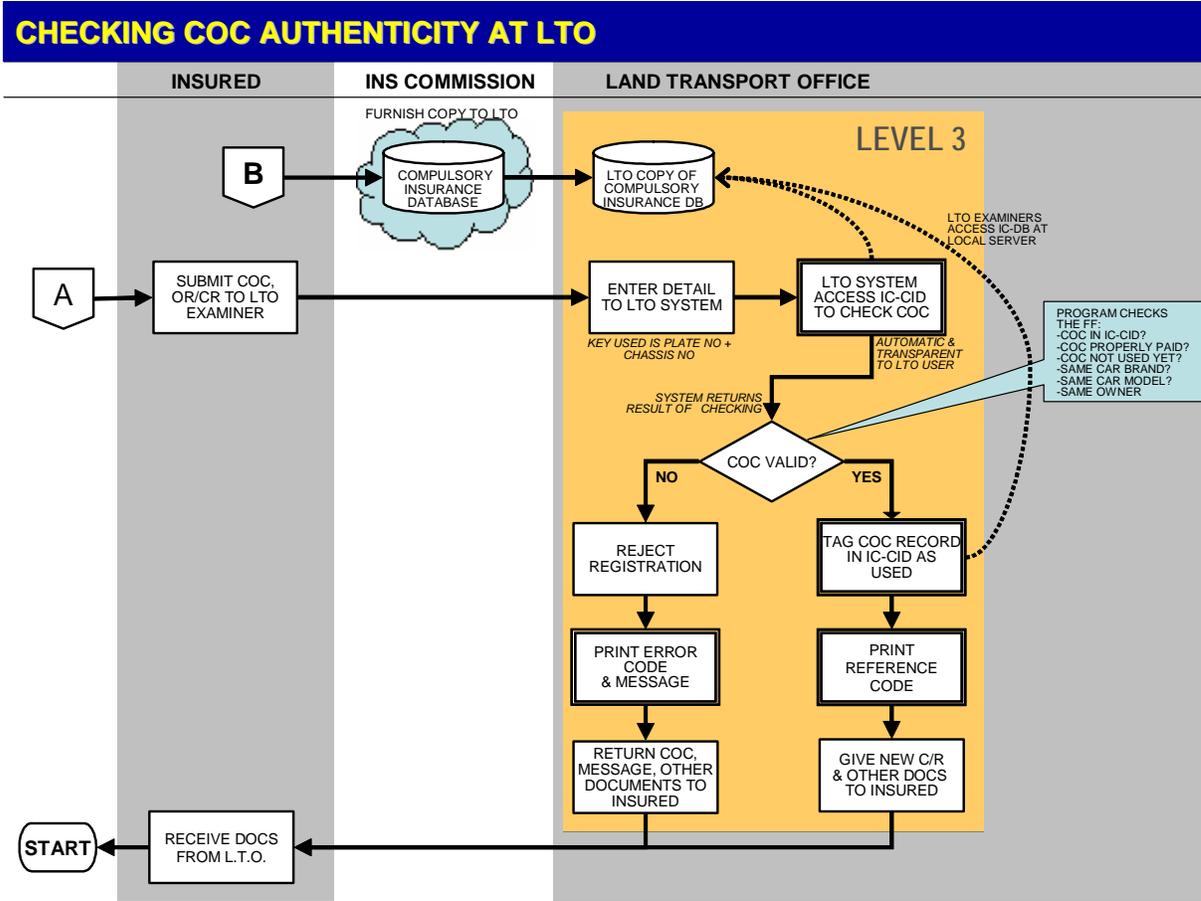
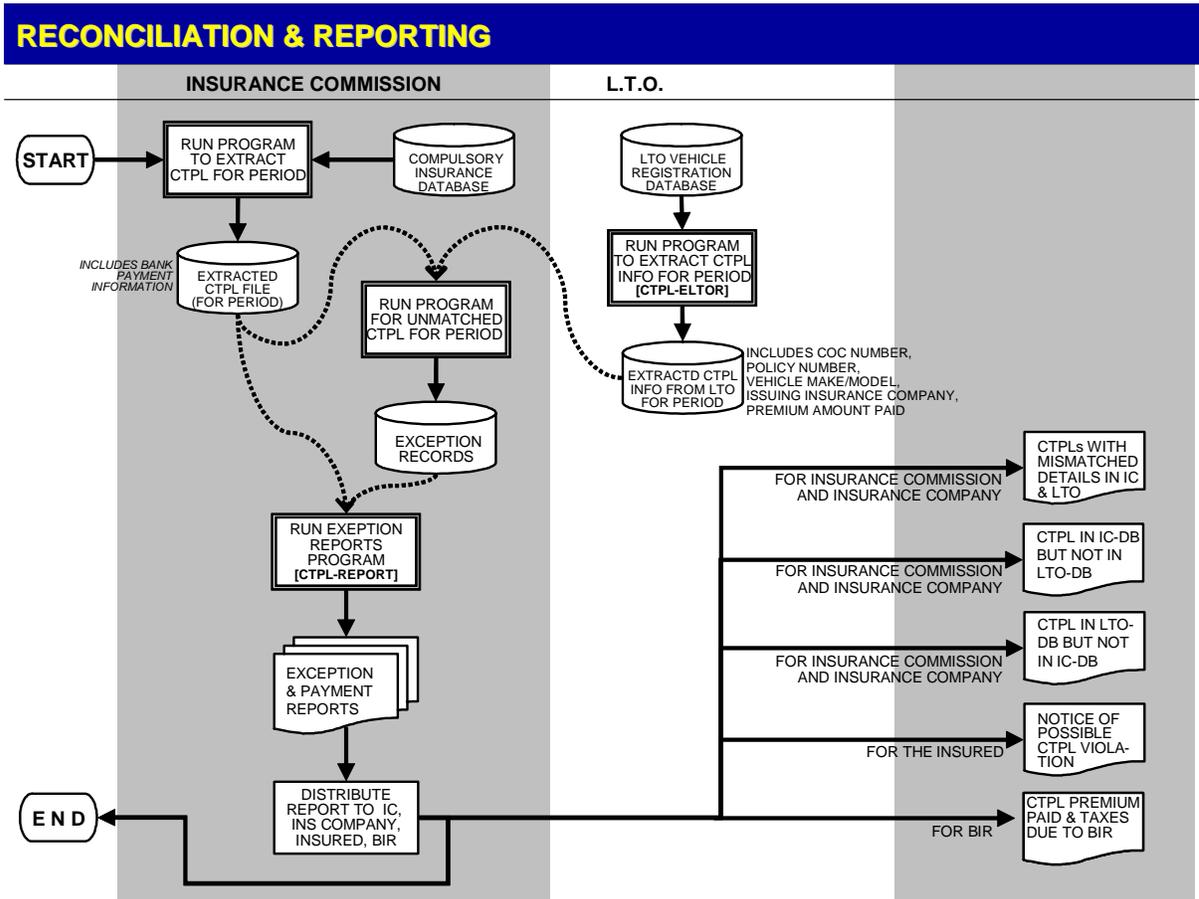


Figure 4. Reconciliation and Reporting



9. DATABASE ELEMENTS

The following shows the system's data dictionary. For RFP1, only the System Maintenance and COC modules will be covered. The other tables (for lines PPAI, CGL, Marine, and Environmental Risk) are preparatory design for future RFP.

MODULE	TABLE NO.	TABLE NAME		TABLE TYPE
SYSTEM MAINTENANCE MODULE				
	TABLE 1	IC APPLICATION ADMINISTRATOR MASTER TABLE	ICAA-MAST	MASTER
	TABLE 2	REGULATORS & SERVICE PROVIDERS ACCOUNT MASTER TABLE	RASPA-MAST	MASTER
	TABLE 3A	INSURANCE COMPANY MASTER TABLE	IC-MAST	MASTER
	TABLE 3B	INSCO ENCODER MASTER TABLE	ICE-MAST	MASTER
	TABLE 4A	AUTHORIZED BANK MASTER TABLE	AB-MAST	MASTER
	TABLE 4B	PAYMENT CHANNEL MASTER TABLE	PC-MAST	MASTER
CTPL MODULE				
	TABLE 5A	LTO EXAMINER MASTER TABLE	LTOE-MAST	MASTER
	TABLE 5B	CTPL TRANSACTION TABLE	CTPL-TRAN	TRANSACTION
	TABLE 5C	VEHICLE BRAND MASTER TABLE	VB-MAST	MASTER
	TABLE 5D	VEHICLE CLASS MASTER TABLE	VC-MAST	MASTER
	TABLE 5E	EXTRACTED CTPL TRANSACTION TABLE	ECTPLT-TEMP	TEMPORARY
	TABLE 5F	EXTRACTED LTO VEHICLE REGISTRATION TABLE	ELTOVR-TEMP	TEMPORARY
	TABLE 5G	EXTRACTED BANK CTPL PAYMENTS TABLE	EBCTPLP-TEMP	TEMPORARY
	TABLE 5H	CTPL EXCEPTION TABLE	CTPLE-TEMP	TEMPORARY
PPAI MODULE				
	TABLE 6A	LTFRB EXAMINER MASTER TABLE	LTFRBE-MAST	MASTER
	TABLE 6B	PPAI TRANSACTION TABLE	PPAI-TRAN	TRANSACTION
CGL MODULE				
	TABLE 7A	LGU EXAMINER MASTER TABLE	LGUE-MAST	MASTER
	TABLE 7B	CGL TRANSACTION TABLE	CGL-TRAN	TRANSACTION
MARINE MODULE				
	TABLE 8A	MARINA EXAMINER MASTER TABLE	MARINAE-MAST	MASTER
	TABLE 8B	MARINE RISK TRANSACTION TABLE	MR-TRAN	TRANSACTION
ENVRISK MODULE				
	TABLE 9A	DENR EXAMINER MASTER TABLE	DENRE-MAST	MASTER
	TABLE 9B	ENVIRONMENTAL RISK TRANSACTION TABLE	ER-TRAN	TRANSACTION

TABLE 1 : IC APPLICATION ADMINISTRATOR MASTER TABLE

Accounts of authorized IC administrators who will be allowed system maintenance rights to the Master Tables

Only user accounts found in this table will be allowed to enter into corresponding modules identified

Index is by field *Admin_User_Name*

Program maintaining this table : SYSM-AAMT

	FIELD NAME	FIELD TYPE	LENGTH	KEY	M / O	ATTRIBUTE / VALIDATION / REMARKS
1	Admin_Use_Name	Character	10	Index	M	Must be unique
2	Admin_User_Name	Character	50		M	Full name of IC Application Administrator
3	Admin_User_Password	Character	15		M	
4	SysMaint_Module_Authorization_Tag	Logical	1		O	Authority to add or update SysMaint Module programs, if tag = 'Y'
5	SysMaint_Module_Authorization_Date	Date			O	
6	SysMaint_Module_Remarks	Character	100		O	
7	CTPL_Module_Authorization_Tag	Logical	1		O	Authority to add or update CTPL Module programs, if tag = 'Y'
8	CTPL_Module_Authorization_Date	Date			O	Date when this authority was granted
9	CTPL_Module_Remarks	Character	100		O	
10	PPAI_Module_Authorization_Tag	Logical	1		O	Authority to add or update PPAI Module programs, if tag = 'Y'
11	PPAI_Module_Authorization_Date	Date			O	Date when this authority was granted
12	PPAI_Module_Remarks	Character	100		O	
13	CGL_Module_Authorization_Tag	Logical	1		O	Authority to add or update CGL Module programs, if tag = 'Y'
14	CGL_Module_Authorization_Date	Date			O	Date when this authority was granted
15	CGL_Module_Remarks	Character	100		O	
16	Marine_Module_Authorization_Tag	Logical	1		O	Authority to add or update Marine Module programs, if tag = 'Y'
17	Marine_Module_Authorization_Date	Date			O	Date when this authority was granted
18	Marine_Module_Remarks	Character	100		O	
19	EnvRisk_Module_Authorization_Tag	Logical	1		O	Authority to add or update EnvRisk Module programs, if tag = 'Y'
20	EnvRisk_Module_Authorization_Date	Date			O	Date when this authority was granted
21	EnvRisk_Module_Remarks	Character	100		O	

NOTE: the 'M/O' column indicates if the field is mandatory ('M') or optional ('O')

TABLE 2 : REGULATORS & SERVICE PROVIDERS ACCOUNT MASTER TABLE

This is a seven-record table (one for each government regulatory agency, BIR, service providers, etc.) that indicates the bank accounts and payment instructions of the agencies included in the payments distribution of Premium payments
The payment share may either be a percentage of the premium amount (type 'P') or a fixed amount (type 'F') regardless of premium amount
Index is by field *Government_Agency_Code*
Program maintaining this table : SYSM-RASPA-MAST

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	RASP_Code	Character	6	Index	M	Either 'IC', 'LTO', 'LTFRB', 'LGU*', 'MARINA', 'DENR', 'BIR', 'SP'
2	Depository_Bank	Character	20		M	Name of authorized depository bank for this government agency
3	Depository_Bank_Account_Type	Character	2		M	Bank account's type, either 'SA' or 'CA'
4	Depository Bank Account Number	Character	20		M	Bank account number
5	Share_in_Premium_Payment_Type	Character	1		M	Either percentage of Premium Amount ('P') or fixed amount ('F')
6	Share_in_Premium_Payment_Amount	Amount	10.4		M	Either percentage of the premium amount if type='P' (for PERCENTAGE) or fixed amount if type='F'. For BIR, this is the tax due. For the other regulatory agencies (i.e., IC, LTO, LTFRB, etc.), this is part of the fees due per policy.
7	Account_Remarks	Character	100		O	

** for LGU, this is still to be resolved if this will be common LGU account or separate accounts per LGU (i.e., separate accounts for Makati, Manila. QC, etc.)*

If the code is BIR, the amount refers to the tax due from the premium
If the code is IC, the amount refers to the regulatory fees due to IC coming out of this transaction.
If the code is LTO, the amount refers to the fees due to LTO coming out of this transaction.
If the code is LTFRB, the amount refers to the fees due to LTFRB coming out of this transaction.
If the code is LGU, the amount refers to the fees due to LGU coming out of this transaction.
If the code is MARINA, the amount refers to the fees due to MARINA coming out of this transaction.
If the code is SP, the amount refers to the processing fees due to the service provider coming out of this transaction. This will likely be payment for the cost of data transmission, network and other system-related fees

TABLE 3A : INSURANCE COMPANY MASTER TABLE

Master table of all Insurance companies who are authorized to issue policy coverages

Insko encoders found in the Insko Encoder Master Table must have be under the insurance companies found in this table

All programs that refer to an insurance company must validate using this table

Index is by field *Insurance_Company_Code*

Program maintaining this table : SYSM-ICMT

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Insurance_Company_Code	Character	5	Index	M	Code must be unique
2	Name_Of_Insurance_Company	Character	50		M	Named of encoder
3	Office_Address1_Of_Insurance_Company	Character	50		M	Floor or house number, building name of the InsCo's head office
4	Office_Address2_Of_Insurance_Company	Character	50		O	Street name and city of the insurance company's head office
5	Website_Of_Insurance_Company	Character	50		O	
6	President_Of_Insurance_Company	Character	50		M	
6	Phone_Number_Of_President	Character	25		M	
7	Email_Address_Of_The_President	Character	25		O	
8	CTPL_Authorization_Tag	Logical	1		M	Authority to issue CTPL policies; Tag 'Y' if authorized
9	PPAI_Authorization_Tag	Logical	1		M	Authority to issue PPAI policies; Tag 'Y' if authorized
10	Marine_Risk_Authorization_Tag	Logical	1		M	Authority to issue MARINA policies; Tag 'Y' if authorized
11	CGL_Authorization_Tag	Logical	1		M	Authority to issue CGL policies; Tag 'Y' if authorized
12	Environmental_Risk_Authorization_Tag	Logical	1		M	Authority to issue EnvironmentalRisk policies; Tag 'Y' if authorized
13	Depository_Bank	Character	20		M	Name of authorized depository bank for this insurance company
14	Depository_Bank_Account_Type	Character	2		M	Bank account's type, either 'SA' or 'CA'
15	Depository Bank Account Number	Character	20		M	Bank account number
16	Share_In_Premium_Payment_Type	Character	1		M	Either percentage of Premium Amount ('P') or fixed amount ('F')
17	Share_In_Premium_Payment_Amount	Amount	10.4		M	Either percentage amount if type='P' or fixed amount if type='F'
18	Remarks_On_Bank_Account	Character	100		M	
19	Account_Creation_Date	Date			M	Date this record was created, info must be system-sourced
20	Account_Creation_Author	Character	25		M	Name of administrator who created this record; this information must be system-sourced and must be validated in the ICAA-MAST
21	Remarks_on_Account_Updates	Character	100		O	Additional information about this record

TABLE 3B : INSURANCE COMPANY ENCODER MASTER TABLE

User accounts of Insurance Company staff or agent who are authorized to encode the policy records in the IC-CID

Only user accounts found in this table will be allowed to post or enter policy records in the IC-CID

Index is by field *Insurance_Company_Code* + *Encoder_Code*

Program maintaining this table : SYSM-ICE-MAST

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Encoder_Code	Character	10	Index	M	Must be unique
2	Insurance_Company_Code	Character	5	Index	M	Code must be in Insurance Company Master Table
3	Name_of_Encoder	Character	50		M	Full name of encoder
4	Password	Character	15		M	
5	CTPL_Authorization_Tag	Logical	1		M	Authority to enter CTPL policies; Tag 'Y' if authorized
6	PPAI_Authorization_Tag	Logical	1		M	Authority to enter PPAI policies; Tag 'Y' if authorized
7	Marine_Risk_Authorization_Tag	Logical	1		M	Authority to enter MARINA policies; Tag 'Y' if authorized
8	CGL_Authorization_Tag	Logical	1		M	Authority to enter CGL policies; Tag 'Y' if authorized
9	Environmental_Risk_Authorization_Tag	Logical	1		M	Authority to enter EnvironmentalRisk policies; Tag 'Y' if authorized
10	Account_Creation_Date	Date			M	Date this user account was created, info must be system-sourced
11	Account_Creation_Author	Character	25		M	Name of administrator who created this account; this information must be system-sourced and must be validated in the IC Application Administrator Master Table
12	Account_Creation_Remarks				O	
13	Account_Update_Sub-Table (CHILD)					
	13A. Account_Update_Date	Date		Index	M	Date this user account was updated, info must be system-sourced
	13B. Account_Update_Author	Character	25		M	Name of administrator who created this account; this information must be system-sourced and must be validated in the ICAA-MAST
	13C. Account_Update_Remarks	Character	100		O	Additional information about this account

TABLE 4A : AUTHORIZED BANK MASTER TABLE

Record of banks who are authorized to collect CTPL payments

It may include records of other collecting agencies (BayadCenter, G-Cash, other e-payment entities)

Only accounts found in this table will be allowed to post payments in the CTPL table

Index is by field *Bank_Code*

Program maintaining this table : SYSM-AB-MAST

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Bank_Code	Character	5	Index	M	Code must be unique
2	Name_Of_Authorized_bank	Character	50		M	
3	Head_Office_Address1_Of_Bank	Character	50		M	Floor or house number, building name for the Bank's head office
4	Head_Office_Address2_Of_Bank	Character	50		O	Street name and city
5	Website_Of_Bank	Character	50		O	
6	President_Of_Bank	Character	50		M	
7	Telephone_Number_of_President	Character	25		M	
8	Email_Address_Of_President	Character	25		O	
9	CTPL_Authorization_Tag	Logical	1		M	Authority to accept payments for CTPL policies; Tag 'Y' if authorized
10	PPAI_Authorization_Tag	Logical	1		M	Authority to accept payments for PPAI policies; Tag 'Y' if authorized
11	Marine_Risk_Authorization_Tag	Logical	1		M	Authority to accept payments for MARINA policies; Tag 'Y' if authorized
12	CGL_Authorization_Tag	Logical	1		M	Authority to accept payments for CGL policies; Tag 'Y' if authorized
13	Environmental_Risk_Authorization_Tag	Logical	1		M	Authority to accept payments for EnvRisk policies; Tag 'Y' if authorized
14	Account_Creation_Date	Date			M	Date this record was created, info must be system-sourced
15	Account_Creation_Author	Character	25		M	Name of administrator who created this record; this information must be system-sourced and must be validated in the ICAA-MAST
16	Remarks	Character	100		O	Additional information about this record

TABLE 4B : PAYMENT CHANNEL MASTER TABLE

Accounts of electronic payment channels which are authorized to post payment information on records in the IC DB
 These channels may include G-Cash, SmartMoney, BayadCenter, LBC, bank ATMs, online bank payments
 Only accounts found in this table will be allowed to post payment information into records in the IC-CID
 Index is by field *Channel_Code*
 Program maintaining this table : SYSM-PC-MAST

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Channel_Code	Character	10	Index	M	Must be unique
2	Bank_Code	Character	5			Code of bank where this channel holds account
3	Bank_Account_Type	Character	2			Either SA or CA
4	Bank_Account	Character	5		M	Bank account number
5	Name_Of_Channel	Character	50		M	Full name of the payment channel
6	Office_Address1_Of_Bank	Character	50		M	Floor or house number, building name for the Bank's head office
7	Office_Address2_Of_Bank	Character	50		O	Street name and city
8	Website_Of_Channel	Character	50		O	
9	President_Of_Channel	Character	50		M	
10	Telephone_Number_of_President	Character	25		M	
11	Email_Address_Of_President	Character	25		O	
12	CTPL_Authorization_Tag	Logical	1		M	Authority to update payments of CTPL policies; Tag 'Y' if authorized
13	PPAI_Authorization_Tag	Logical	1		M	Authority to update payments of PPAI policies; Tag 'Y' if authorized
14	Marine_Risk_Authorization_Tag	Logical	1		M	Authority to update payments of MARINA policies; Tag 'Y' if authorized
15	CGL_Authorization_Tag	Logical	1		M	Authority to update payments of CGL policies; Tag 'Y' if authorized
16	Environmental_Risk_Authorization_Tag	Logical	1		M	Authority to update payments of EnvironRisk policies; Tag 'Y' if authorized
17	Account_Creation_Date	Date			M	Date this user account was created, info must be system-sourced
18	Account_Creation_Author	Character	25		M	Name of administrator who created this user account; this information must be system-sourced and must be validated in the ICAA-MAST
19	Account_Creation_Remarks				O	
20	Account Update Sub-Table (CHILD)					
	20A. Account_Update_Date	Date		Index	M	Date this user account was updated, info must be system-sourced
	20B. Account_Update_Author	Character	25		M	Name of administrator who created this user account; this information must be system-sourced and must be validated in the ICAA-MAST
	20C. Account_Update_Remarks	Character	100		O	Additional information about this user account

TABLE 5B. CTPL TRANSACTION TABLE

Transaction table for all CTPL policies issued by legitimate Insurance Companies

Only transactions found in this table are considered official COC issuance of legitimate insurance companies.

Fields 1 to 25 are mandatory during initial data entry. Program for CTPL data entry (CTPL-DERIC) will populate this table.

Fields 26 to 30 becomes mandatory when accessed by the Bank Payment Module. Program for bank payment (CTPL-PUB) will update this table for payments.

Fields 31 to 35 becomes mandatory when accessed by the LTO Authentication Module. Program for LTO validation (CTPL-VLTO) will update this table's validation status

Index (first) is by field *Chassis_Number* (to be used during data entry by InsComp Encoder)

Index (second) is by field *Insurance_Company_Code* + *COC_Number* + *Period_Covered_Start* (to be used during by bank payment and general searching)

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
<i>Vehicle Information Fields</i>						
1	Vehicle_Plate_Number	Character	10		M	Plate number of the vehicle, format should allow personalized car plates
2	Chassis_Number	Character	25	Index One	M	Vehicle's chassis number
3	Vehicle_Brand	Character	10		M	Name of vehicle maker, e.g. Toyota, or Ford, or BMW. This will refer to the VB-MAST.
4	Vehicle_Model	Character	10		M	Model of car, i.e., Corolla, or Focus, or X5. Upon selection of a specific vehicle brands, this refers to the vehicle's authorized brands included the VB-MAST Sub-Table
5	Vehicle_Year	Date (Year)	4		M	Year when vehicle was released
6	Vehicle_Class	Character	2		M	Vehicle classification use table VC-MAST as reference. Data entry program will read the VC-MAST and will only accept values from this table for this Vehicle Class field.
<i>Policy Coverage Fields</i>						
7	Insurance_Company_Code	Character	5	Part of Index Two	M	Code must be in Insurance Company Master Table (IC-MAST). This field will be used as part of the 2nd index key.
8	COC_Number	Character	10	Part of Index Two	M	COC number issued by the Insurance Company. This field will be used as part of the 2nd index key. <i>NOTE: the COC Number, which applies to a specific vehicle, is different from the CTPL Policy Number, which may apply also to one vehicle or a fleet of vehicles</i>

TABLE 5B. CTPL TRANSACTION TABLE

Sheet 2 of 4

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
9	CTPL_Policy_Number	Character	15		M	Policy number of the CTPL policy issued by the Insurance Company. This will NOT be used as key.
10	Period_Covered_Start	Date		Part of Index Two	M	Starting date of coverage in the COC. This field will be used as part of the 2nd index key. The <i>Period_Covered_Start</i> , with the <i>Insurance_Company_Code</i> and <i>COC_Number</i> , will make the index key very unique
11	Period_Covered_End	Date			M	Ending date of coverage in the COC
12	Name_of_Insured	Character	50		M	Named of insured in the COC
13	Address_of_Insured	Character	50		M	Address of insured in the COC
14	Type_of_Insurance	Character	5		M	For this file, this will always be 'CTPL'
<i>Policy Payment Fields</i>						
15	Premium_Amount_Paid	Amount	10.2		M	Premium amount will depend on the vehicle classification. The system will read the entered <i>Vehicle_Class</i> field (field#6) of this table, access table VC-MAST, and get the <i>Premium_Amount</i> field of VC-MAST table.
16	Premium_Due_to_Insurance_Company	Amount	10.2		M	Automatically computed based on field <i>ShareInPremiumPaymentType</i> (either P for percentage of premium, or F for fixed amount) and <i>Share_In_Premium_Payment_Amount</i> found in this insurance company's record in IC-MAST table. If payment type = 'P', the payment amount is a percentage to be multiplied to the <i>Premium_Amount_Paid</i> field. This amount already includes the commission due to the agent or broker, which will be distributed by the insurance company internally.
17	Insurance_Reserve	Amount	10.2		M	Automatically computed at XX.XX% of Premium Amount Paid. The insurance reserve is mandated by the IC.

TABLE 5B : CTPL TRANSACTION TABLE

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY		ATTRIBUTE / VALIDATION / REMARKS
17	Insurance_Reserve	Amount	10.2		M	Automatically computed at XX.XX% of Premium Amount Paid. The insurance reserve is mandated by the IC.
18	Premium_Tax	Amount	10.2		M	Refers to BIR's record in table RASPA-MAST. Automatically computed based on BIR's field Share_In_Premium_Payment_Type (either P for percentage of premium, or F for fixed amount) and Share_In_Premium_Payment_Amount found in BIR's record in RASPA-MAST table. If payment type = 'P', the payment amount is a percentage to be multiplied to the Premium_Amount_Paid field.
19	IC_Fee	Amount	10.2		M	Refers to IC's record in table RASPA-MAST. Automatically computed based on IC's field Share_In_Premium_Payment_Type (either P for percentage of premium, or F for fixed amount) and Share_In_Premium_Payment_Amount found in IC's record in RASPA-MAST table. If payment type = 'P', the payment amount is a percentage to be multiplied to the Premium_Amount_Paid field.
20	LTO_Fee	Amount	10.2		M	Refers to LTO's record in table RASPA-MAST. Automatically computed based on LTO's field Share_In_Premium_Payment_Type (either P for percentage of premium, or F for fixed amount) and Share_In_Premium_Payment_Amount found in LTO's record in RASPA-MAST table. If payment type = 'P', the payment amount is a percentage to be multiplied to the Premium_Amount_Paid field.
21	Service_Provider_Fee	Amount	10.2		M	Refers to SP's record in table RASPA-MAST. Automatically computed based on SP's field Share_In_Premium_Payment_Type (either P for percentage of premium, or F for fixed amount) and Share_In_Premium_Payment_Amount found in SP's record in RASPA-MAST table. If payment type = 'P', the payment amount is a percentage to be multiplied to the Premium_Amount_Paid field.
<i>Encoding-Related Fields</i>						
22	Insco_Encoder_Code	Character	10		M	Code of encoder at Insurance Company, which must be in the Insco Encoder Code Master Table; system to get and validate encoder's log-in code or name upon logging in

TABLE 5B : CTPL TRANSACTION TABLE

Sheet 4 of 4

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY		ATTRIBUTE / VALIDATION / REMARKS
23	Insko_Encoding_Date	Date			M	Date when the COC was encoded to IC CID (system-sourced)
24	Insko_Encoding_Time	Time			M	Time when the COC was encoded to IC CID (system-sourced)
25	Insko_Encoding_Referecne_Code	Character	10		O	System-generated acknowledgement code to be returned to Encoder upon completing the process
<i>Bank Payment Fields</i>						
26	Channel_Code	Character	5			Code of the payment chanel
27	Payment_Date	Date			M	Date when the COC was paid at the Bank (system-sourced)
28	Payment_Time	Time			M	Time when the COC was paid at the Bank (system-sourced)
29	Payment_Reference_Code	Character	10		O	System-generated acknowledgement code to be returned to the payment channel. (The developer may design an algorithm to come up with a 10-character code for this). Filling of this field indicates that the CTPL policy has been paid.
<i>LTO Validation Fields</i>						
30	LTO_Examiner_Code	Character	10		M	Identifying code for LTO Examiner; it could be the examiner's code or username in the internal LTO System
31	LTO_Examination_Date	Date			M	Date when the COC was examined by LTO; this should be system-generated based on system date
32	LTO_Examination_Time	Time			M	Time when the COC was examined by LTO; this should be system-generated based on system clock
33	LTO_Examination_Reference_Code	Character	10		O	System-generated code to filled by the LTO System, signifying that the CTPL-TRAN record has been validated
34	LTO_Examination_Remarks	Character	100		O	

TABLE 5B : VEHICLE BRAND MASTER TABLE

Contains information on all recognized vehicle brands and models that are registered in the Philippines

This is a reference table for the CTPL module to enable uniformity of the vehicle names and brands

A vehicle brand record (e.g., Toyota) may have multiple vehicle model sub-records (e.g., Corolla, Corona, Altis, Camry, Revo, Innova, etc.)

Program maintaining this table : SYS-VB-MAST

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Vehicle_Brand	Character	10	Index	M	Must be unique
2	Remarks_On_Vehicle_Brands	Character	100		O	Additional information about this vehicle brand
3	Vehicle Model Sub-Table (CHILD)	Character	25			Name/Location of LTO office
	3A. Vehicle_Model	Character	10	Index	M	Must be unique under this Vehicle Brand
	3B. Vehicle_Model_Remarks	Character	100		O	Additional information about this vehicle model

**TABLE 5C : VEHICLE CLASS MASTER
TABLE**

This table contains the vehicle classification authorized by the IC ad LTO

Each vehicle class has a corresponding standard premium amount for CTPL coverage

CTPL-TRAN (CTPL Transaction Table) will refer to this table for it's Vehicle_Class field, and will use the standard premium amount for it's Premium Amount Paid field.

Program maintaining this table : SYS-VC-MAST

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Vehicle_Class	Character	2	Index	M	Must be unique
2	Vehicle_Class_Description	Character	50		O	Additional information about this vehicle class, i.e., 'Four-wheel with weight under 1300 kgs'
3	Premium_Amount	Amount	10.2		M	Standard premium amount for this vehicle class. This will be the standard rate to be used by the CTPL-TRAN

TABLE 5B. EXTRCED CTPL TRANSACTION TABLE

Exact copy of the CTPL TRANSACTION TABLE

This will be used as a periodic temporary table for the periodic (i.e., weekly or monthly) reconciliation procedure of IC

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Vehicle_Plate_Number	Character	10			
2	Chassis_Number	Character	25			
3	Vehicle_Brand	Character	10			
4	Vehicle_Model	Character	10			
5	Vehicle_Year	Date (Year)	4			
6	Vehicle_Class	Character	2			
7	Insurance_Company_Code	Character	5			
8	COC_Number	Character	10			
9	CTPL_Policy_Number	Character	15			
10	Period_Coverred_Start	Date				
11	Name_of_Insured	Character	50			
12	Address_of_Insured	Character	50			
13	Type_of_Insurance	Character	5			
14	Premium_Amount_Paid	Amount	10.2			
15	Premium_Due_to_Insurance_Company	Amount	10.2			
16	Insurance_Reserve	Amount	10.2			
17	Premium_Tax	Amount	10.2			
18	IC_Fee	Amount	10.2			
19	LTO_Fee	Amount	10.2			
20	Service_Provider_Fee	Amount	10.2			
21	Insco_Encoder_Code	Character	10			
22	Insco_Encoding_Date	Date				
23	Insco_Encoding_Time	Time				
24	Insco_Encoding_Referecne_Code	Character	10			
25	Payment_Channel_Code	Character	10			
26	Channel_Code	Character	5			
27	Payment_Date	Date				
28	Payment_Time	Time				
29	Payment_Reference_Code	Character	10			
30	LTO_Examiner_Code	Character	10			
31	LTO_Examination_Date	Date				
32	LTO_Examination_Time	Time				
33	LTO_Examination_Reference_Code	Character	10			
34	LTO_Examination_Remarks	Character	100			

TABLE 5E. EXTRACTED LTO VEHICLE REGISTRATION TABLE

Transaction table for all LTO registered vehicles in a given date range

The range of dates must be the same as the dates of extracted CTPLs within the EXTRACTED CTPL TRANSACTION TABLE

Program maintaining this table : CTPL-ELTOR

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	COC_Number	Character	15	Index		Policy number of the CTPL policy issued by the Insurance Company
2	Insurance_Company_Code	Character	5			Must be in the Insurance Company Master Table
3	Date_Of_Registration_in_LTO	Amount	10.2			
4	Premium_Amount_Paid	Amount	10.2			
5	Name_Of_Insured	Character	50			Named of insured as reflected in the CTPL policy
6	Address_Of_Insured	Character	50			Address of insured as written in the CTPL policy
7	Vehicle_Plate_Number	Character	10			Plate number of the vehicle, format should allow personalized car plates
8	Chassis_Number	Character	25			Vehicle's chassis number
9	Vehicle_Brand	Character	10			Name of vehicle maker, e.g. Toyota, or Honda, or Ford, or Kia, or BMW
10	Vehicle_Model	Character	10			Model of car, correspondingly Corolla, Civic, Focus, Sorento, or X5.
11	Vehicle_Year	Date (Year)				Year when vehicle was released
12	Period Covered - Start	Date				Starting date of coverage as written in the CTPL policy
13	Period Covered - End	Date				Ending date of coverage as written in the CTPL policy
12	Name_Of_LTO_Examiner	Amount	10.2			
13	Extraction_Start_Date	Date				Must be the same date for this batch of records, conforming to the start (or from) date of the EXTRACTED CTPL TRANSACTION TABLE

TABLE 5F. EXTRACTED BANK CTPL PAYMENTS TABLE

All CTPL payments made in the banks in a given date range

The range of dates must be the same as the dates of extracted CTPLs within the EXTRACTED CTPL TRANSACTION TABLE

Program name maintaining this table : CTPL-EBPR

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Insurance Company Code and COC_Number	Character	5+15	Index		Company Code and COC number
2	Premium_Amount_Paid	Amount	10.2			
3	Date_of_Payment	Date				
4	Name_of_Bank	Character	25			
5	Extraction_Start_Date	Date				Must be the same date for this batch of records, conforming to the start (or from) date of the EXTRACTED CTPL TRANSACTION TABLE
6	Extraction Start Date	Date				Must be the same date for this batch of records, conforming to the end (or to) date of the EXTRACTED CTPL TRANSACTION TABLE

TABLE 5G. CTPL EXCEPTION TABLE

Contains all unmatched, mismatched, or problematic CTPL records when comparing the IC-DB and LTO-DB records
Program maintaining this table : CTPL-CICLTO

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Vehicle_Plate_Number	Character	10			Plate number of the vehicle, format should allow personalized car plates
2	Chassis_Number	Character	25			Vehicle's chassis number
3	Vehicle_Brand	Character	10			Name of vehicle maker, e.g. Toyota, or Honda, or Ford, or Kia, or BMW
4	Vehicle_Model	Character	10			Model of car, correspondingly Corolla, Civic, Focus, Sorento, or X5.
5	Vehicle_Year	Date (Year)				Year when vehicle was released
6	COC_Number	Character	15	Index		Policy number of the CTPL policy issued by the Insurance Company
7	Insurance_Company_Code	Character	5			Must be in the Insurance Company Master Table
8	Name_Of_Insured	Character	50			Named of insured as reflected in the CTPL policy
9	Address_of_Insured	Character	50			Address of insured as written in the CTPL policy
10	Period_Covered_Start	Date				Starting date of coverage as written in the CTPL policy
11	Period_Covered_End	Date				Ending date of coverage as written in the CTPL policy
12	Premium_Amount_Paid	Amount	10.2			
13	Date_Of_Registration_in_LTO	Amount	10.2			
14	Name_Of_LTO_Examiner	Amount	10.2			
15	Extraction_Start_Date	Date				Must be the same date for this batch of records, conforming to the start (or from) date of the EXTRACTED CTPL TRANSACTION TABLE
16	Exception_Remarks	Character	50			System-generated message indicating cause of exception (see CTPL-CICLTO for the possible messages)
17	Source_Database	Character	3			Name of database where this records was extracted from; Value is either 'IC' or 'LTO'

TABLE 6A : LTFRB EXAMINER MASTER TABLE

Accounts of LTFRB Examiner who are authorized to inquire, and update PPAI records in the IC-CID
 Only accounts found in this table will be allowed to make inquiries and post registration information into PPAI records
 Program maintaining this table : SYSM-LTFRBEMT

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	LTFRB_Examiner_Code	Character	10	Index	M	Must be unique
2	LTFRB_Branch	Character	25	Index	M	Name/Location of LTO office
3	Name_of_LTFRB_Examiner	Character	50		M	Full name of the LTO Examiner
4	Password	Character	15		M	
5	Account_Creation_Date	Date			M	Date this record was created, info must be system-sourced
6	Account_Creation_Author	Character	25		M	Name of administrator who created this record; this information must be system-sourced and must be validated in the ICAA-MAST
7	Account_Creation_Remarks				O	
8	Account Update Sub-Table (CHILD)					
	8A. Account_Update_Date	Date		Index	M	Date this record was updated, info must be system-sourced
	8B. Account_Update_Author	Character	25		M	Name of administrator who created this record; this information must be system-sourced and must be validated in the ICAA-MAST
	8C. Account_Update_Remarks	Character	100		O	Additional information about this record

TABLE 6B : PPAI TRANSACTION TABLE

Tentative transaction table for PPAI policies.

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Insurance_Company_Code	Character	5	Index	M	
2	PPAI_Policy_Number	Character	15	Index	M	
3	Name_of_Insured	Character	50		M	
4	Address_of_Insured	Character	50		M	
5	Period Covered - Start	Date			M	
6	Period Covered - End	Date			M	
7	Type of Insurance	Character	5		M	
8	Premium Amount Paid	Amount	10.2		M	
9	Premium Due to Insurance Company	Amount	10.2		M	
10	Insurance Reserve	Amount	10.2		M	
11	Commission Due to Agent or Broker	Amount	10.2		M	
12	Premium Tax Due	Amount	10.2		M	
13	Service Provider Fee	Amount	10.2		M	
14	Vehicle Plate Number	Character	10		M	
15	Chassis Number	Character	25		M	
16	Vehicle Brand	Character	10		M	
17	Vehicle Model	Character	10		M	
18	Vehicle Year	Date (Year)			M	
19	Number of Seats	Number	3		M	
20	PPAI Encoder Code	Character	10		M	
21	PPAI Encoding Date	Date			M	
22	PPAI Encoding Time	Time			M	
23	PPAI Encoding Acknowledgement Code	Character	10		O	
24	Bank Payment Teller Code	Character	10		M	
25	Bank Payment Date	Date			M	
26	Bank Payment Time	Time			M	
27	Bank Payment Acknowledgement Code	Character	10		O	
28	LTFRB Examiner Code	Character	10		M	
29	LTFRB Examination Date	Date			M	
30	LTFRB Examination Time	Time			M	
31	LTFRB Examination Reference Code	Character	10		O	
32	LTFRB Examination Remarks	Character	100		O	

TABLE 7A : LGU EXAMINER MASTER TABLE

Accounts of LGU Examiner who are authorized to inquire, and update PPAI records in the IC-CID
 Only accounts found in this table will be allowed to make inquiries and post registration information into CGL records
 Program name maintaining this table : PPAI-XXXX

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	LGU_Examiner_Code	Character	10	Index	M	Must be unique
2	LGU_Branch	Character	25	Index	M	Name/Location of LGU office
3	Name_of_LGU_Examiner	Character	50		M	Full name of the LGU Examiner
4	Password	Character	15		M	
5	Account_Creation_Date	Date			M	Date this record was created, info must be system-sourced
6	Account_Creation_Author	Character	25		M	Name of administrator who created this record; this information must be system-sourced and must be validated in the ICAA-MAST
7	Account_Creation_Remarks	Character	100		O	
8	SUB-TABLE (CHILD)					
	8A. Account_Update_Date	Date		Index	M	Date this record was updated, info must be system-sourced
	8B. Account_Update_Author	Character	25		M	Name of administrator who created this record; this information must be system-sourced and must be validated in the ICAA-MAST
	8C. Account_Update_Remarks	Character	100		O	Additional information about this record

TABLE 7B : CGL TRANSACTION TABLE

Tentative table for CGL policies.

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Insurance_Company_Code	Character	5	Index	M	
2	CGL_Policy Number	Character	15	Index	M	
3	Name_of_Insured	Character	50		M	
4	Address_of_Insured	Character	50		M	
5	Period_Covered_Start	Date			M	
6	Period_Covered_End	Date			M	
7	Type_of_Insurance	Character	5		M	
8	Premium_Amount_Paid	Amount	10.2		M	
9	Premium_Due_to_Insurance_Company	Amount	10.2		M	
10	Insurance_Reserve	Amount	10.2		M	
11	Commission_Due_to_Agent	Amount	10.2		M	
12	Premium_Tax_Due	Amount	10.2		M	
13	Service_Provider_Fee	Amount	10.2		M	
14	Building_Premises_Address 1	Character	50		M	
15	Building_Premises_Address 2	Character	50		M	
16	Number_of_Buildings	Number	3		M	
17	Remarks	Character	100		O	
18	CGL_Encoder_Code	Character	10		M	
19	CGL_Encoding_Date	Date			M	
20	CGL_Encoding_Time	Time			M	
21	CGL_Encoding_Acknowledgement_Code	Character	10		O	
22	Bank_Payment_Teller_Code	Character	10		M	
23	Bank_Payment_Date	Date			M	
24	Bank_Payment_Time	Time			M	
25	Bank_Payment_Acknowledgement_Code	Character	10		O	
26	LGU_Examiner_Code	Character	10		M	
27	LGU_Examination_Date	Date			M	
28	LGU_Examination_Time	Time			M	
29	LGU_Examination_Reference_Code	Character	10		O	
30	LGU_Examination_Remarks	Character	100		O	

TABLE 8A : MARINA EXAMINER MASTER TABLE

Accounts of MARINA Examiner who are authorized to inquire, and update Marine records in the IC-CID
Only accounts found in this table will be allowed to make inquiries and post registration information into Marine records
Program name maintaining this table : MARINE-XXXXX

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	MARINA_Examiner_Code	Character	10	Index	M	Must be unique
2	MARINA_Branch	Character	25	Index	M	Name/Location of MARINA office
3	Name_of_MARINA_Examiner	Character	50		M	Full name of the MARINA Examiner
4	Password	Character	15		M	
5	Account_Creation_Date	Date			M	Date this record was created, info must be system-sourced
6	Account_Creation_Author	Character	25		M	Name of administrator who created this record; this information must be system-sourced and must be validated in the ICAA-MAST
7	Account_Creation_Remarks	Character	100		O	
8	SUB-TABLE (CHILD)					
	8A. Account_Update_Date	Date		Index	M	Date this record was updated, info must be system-sourced
	8B. Account_Update_Author	Character	25		M	Name of administrator who created this record; this information must be system-sourced and must be validated in the ICAA-MAST
	8C. Account_Update_Remarks	Character	100		O	Additional information about this record

TABLE 8B : MARINE RISK TRANSACTION TABLE

Tentative format for Marine Risk policies.

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	Insurance Company Code	Character	5	Index	M	
2	Marine Risk Policy Number	Character	15	Index	M	
3	Name of Insured	Character	50		M	
4	Address of Insured	Character	50		M	
5	Period Covered - Start	Date			M	
6	Period Covered - End	Date			M	
7	Type of Insurance	Character	5		M	
8	Premium Amount Paid	Amount	10.2		M	
9	Premium Due to Insurance Company	Amount	10.2		M	
10	Insurance Reserve	Amount	10.2		M	
11	Commission Due to Agent or Broker	Amount	10.2		M	
12	Premium Tax Due	Amount	10.2		M	
13	Service Provider Fee	Amount	10.2		M	
14	Name of Vessel	Character	25		M	
15	Chassis Number	Character	25		M	
16	Vehicle Year	Date (Year)			M	
17	Number of Seats	Number	3		M	
19	Marine Risk Encoder Code	Character	10		M	
20	Marine Risk Encoding Date	Date			M	
21	Marine Risk Encoding Time	Time			M	
22	Marine Risk Encoding Acknowledgement Code	Character	10		O	
23	Bank Payment Teller Code	Character	10		M	
24	Bank Payment Date	Date			M	
25	Bank Payment Time	Time			M	
26	Bank Payment Acknowledgement Code	Character	10		O	
27	MARINA Examiner Code	Character	10		M	
28	MARINA Examination Date	Date			M	
29	MARINA Examination Time	Time			M	
30	MARINA Examination Reference Code	Character	10		O	
31	MARINA Examination Remarks	Character	100		O	

TABLE 9A : DENR EXAMINER MASTER TABLE

Accounts of DENR Examiner who are authorized to inquire, and update Environmental Risk policy records in the IC-CID
 Only accounts found in this table will be allowed to make inquiries and post registration information into
 Environmental Risk policy records
 Program name maintaining this table : ENVRISK-XXXXX

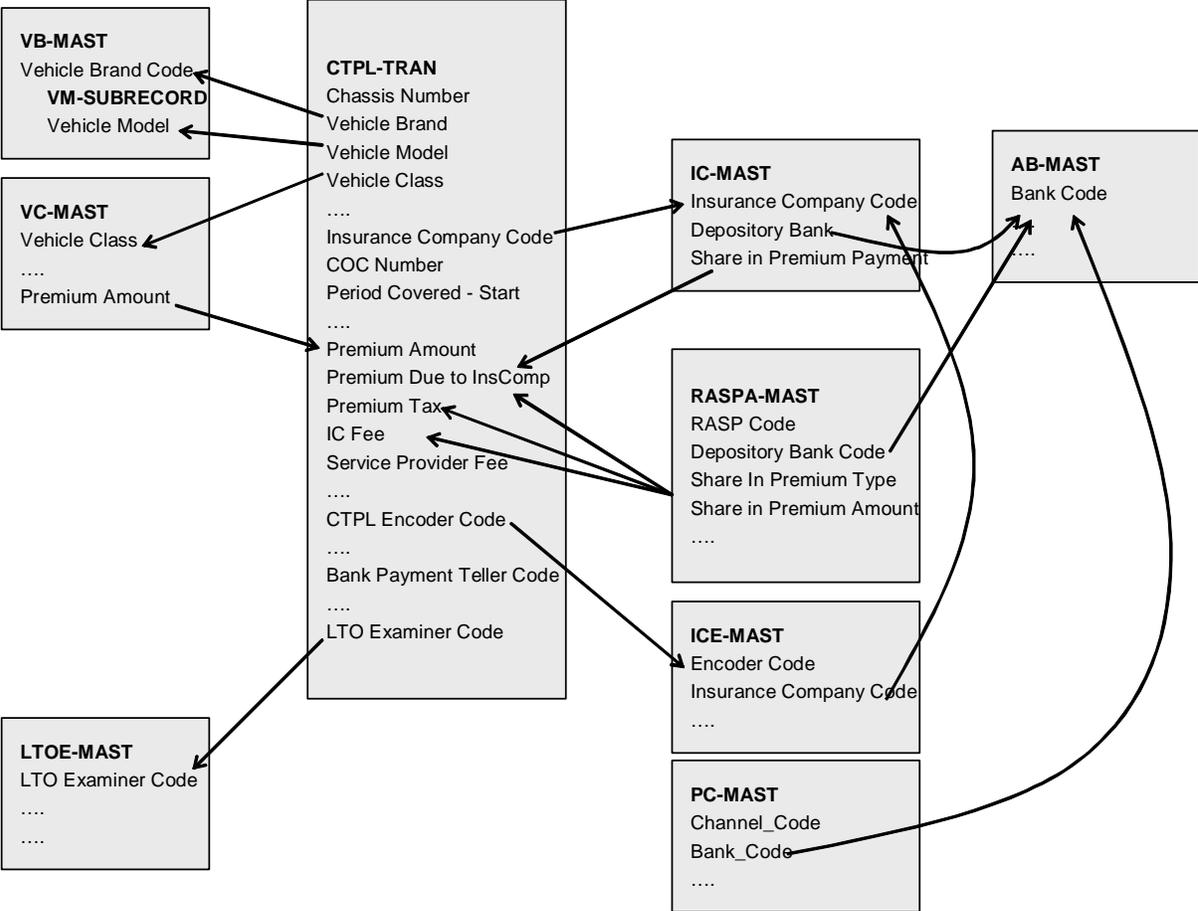
	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	ATTRIBUTE / VALIDATION / REMARKS
1	DENR Examiner_Code	Character	10	Index	M	Must be unique
2	DENR_Branch	Character	25	Index	M	Name/Location of DENR Regional office
3	Name_of_DENR_Examiner	Character	50		M	Full name of the DENR Examiner
4	Password	Character	15		M	
5	Account_Creation_Date	Date			M	Date this record was created, info must be system-sourced
6	Account_Creation_Author	Character	25		M	Name of administrator who created this record; this information must be system-sourced and must be validated in the ICAA-MAST
7	Account_Creation_Remarks	Character	100		O	
8	SUB-TABLE (CHILD)					
	8A. Account_Update_Date	Date		Index	M	Date this record was updated, info must be system-sourced
	8B. Account_Update_Author	Character	25		M	Name of administrator who created this record; this information must be system-sourced and must be validated in the ICAA-MAST
	8C. Account_Update_Remarks	Character	100		O	Additional information about this record

TABLE 9B : ENVIRONMENTAL RISK TRANSACTION TABLE

Tentative format for Environmental Risk policies

	FIELD DESCRIPTION	FIELD TYPE	LENGTH	KEY	M/O	
1	Insurance Company Code	Character	5	Index	M	
2	Environmental Risk Policy Number	Character	15	Index	M	
3	Name of Insured	Character	50		M	
4	Address of Insured	Character	50		M	
5	Period Covered - Start	Date			M	
6	Period Covered - End	Date			M	
7	Type of Insurance	Character	5		M	
8	Premium Amount Paid	Amount	10.2		M	
9	Premium Due to Insurance Company	Amount	10.2		M	
10	Insurance Reserve	Amount	10.2		M	
11	Commission Due to Agent or Broker	Amount	10.2		M	
12	Premium Tax Due	Amount	10.2		M	
13	Service Provider Fee	Amount	10.2		M	
14	Name of Company	Character	25		M	
15	Address of Operations	Character	25		M	
16	Vehicle Year	Date (Year)			M	
17	Nature of Operations	Character	25		M	
18	Environmental Risk Encoder Code	Character	10		M	
19	Environmental Risk Encoding Date	Date			M	
20	Environmental Risk Encoding Time	Time			M	
21	Env Risk Encoding Reference Code	Character	10		O	
22	Bank Payment Teller Code	Character	10		M	
23	Bank Payment Date	Date			M	
24	Bank Payment Time	Time			M	
25	Bank Payment Acknowledgment Code	Character	10		O	
26	DENR Examiner Code	Character	10		M	
27	DENR Examination Date	Date			M	
28	DENR Examination Time	Time			M	
29	DENR Examination Reference Code	Character	10		O	
30	DENR Examination Remarks	Character	100		O	

Table___. relationships between CTPL Module tables



10. PROGRAM SPECIFICATIONS

a. System Maintenance Module Programs

The following programs will facilitate build-up of the various master tables to be used by the COC, PPAI, CGL, Marine, and EnvRisk. All programs will be part of the RFP to be issued by IC and will be developed by the winning bidder.

PROGRAM NAME	PROGRAM DESCRIPTION
SYSM-ICAA-MAST	Data entry and system maintenance program for the IC Applications Administrator Master Table
SYSM-RASPA-MAST	Data entry and system maintenance program for the Regulatory and Service Providers Accounts Master Table.
SYSM-IC-MAST	Data entry and system maintenance program for the Insurance Company Master Table.
SYSM-ICE-MAST	Data entry and system maintenance program for the Insurance Company Encoder Master Table.
SYSM-AB-MAST	Data entry and system maintenance program for the Authorized Bank Master Table.
SYSM-PC-MAST	Data entry and system maintenance program for the Payment Channel Master Table.
SYSM-VB-MAST	Data entry and system maintenance program for the Vehicle Brand Master Table.
SYSM-VC-MAST	Data entry and system maintenance program for the Vehicle Class Master Table.

The following programs will be included in the next RFP:

SYSM-LTFRBE-MAST	Data entry and system maintenance program for the LTFRB Examiner Master Table.
SYSM-LGUE-MAST	Data entry and system maintenance program for the LGU Examiner Master Table.
SYSM-MARINAE-MAST	Data entry and system maintenance program for the MARINA Examiner Master Table.
SYSM-DENRE-MAST	Data entry and system maintenance program for the DENR Examiner Master Table.

PROGRAM NAME: SYSM-ICAA-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the IC Applications Administrator Master Table

The program will allow the authorized IC personnel (ideally only the IC Commissioner or her designate) can access this program because security and confidentiality issues. This program builds up the Applications Administrators - these are users who can eventually set up and designate rights and privileges in the Master files.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *update*

PROGRAM NARRATIVE:

1. IC Commissioner logs in under the SYSM-AA-MAST login window, by entering his/her user name and password. For security reasons, the IC Commissioner's user account will be stored in a hidden table (i.e. ICCOMMISSIONER-LOGIN table) and will contain only the user name and password fields (NOTE: the developer must create this single-record table in a hidden location).
2. Once found authorized, the IC Commissioner will be allowed by the program to ADD, EDIT, and DELETE Application Administrator user account records in the ICAA-MAST table. Each Applications Administrator use account may be given rights and privileges to one or more modules. Modules include the System Maintenance module; COC module; PPAI module; CGL module; Marine module; and the Environmental Risk (EnvRisk) module. For now, only the System Maintenance and the COC modules are active.
3. The program must allow validation of each data entry field in this ICAA-MAST record following the validation instructions stated in Table 1.

PROGRAM NAME: SYSM-RASPA-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the Government Agency Accounts Details Table.

The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in the RASPA-MAST. To be able to do so, the Applications Administrator must have System Maintenance Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*
REGULATORS & SERVICE PROVIDERS ACCOUNTS MASTERTABLE (RASPA-MAST), *update*

PROGRAM NARRATIVE:

1. IC Applications Administrator logs in under the SYSM-RASPA-MAST login window, by entering his user name and password.
2. The program reads the ICAA-MAST Table to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAST>SysMaint_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE government agency account records in table RASPA-MAST.
4. Under normal circumstances, the RASPA-MAST will contain only EIGHT records, one record each for the following government agencies and another one for the service provider:
 - a. Insurance Commission (IC)
 - b. Land Transportation Office (LTO)
 - c. Land Transport Regulatory and Franchise Bureau (LTFRB)
 - d. Department of Environment and Natural Resources (DENR)
 - e. Maritime Authority (MARINA)
 - f. Local Government Unit (LGU), although it will be decided later of if 'LGU' will just be one common account, or if individual local government units will have separate accounts.
 - g. Bureau of Internal Revenue (BIR)
 - h. Service provider, possibly the one providing the network and system-support services
5. The program must allow validation of each data entry field in the RASPA-MAST following the validation instructions stated in Table 2.

PROGRAM NAME: SYSM-IC-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the Insurance Company Master Table.

The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in table IC-MAST. To be able to do so, the Applications Administrator must have the System Maintenance Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*
INSURANCE COMPANY MASTER TABLE (IC-MAST), *update*

PROGRAM NARRATIVE:

1. IC Applications Administrator logs in under the SYSM-IC-MAST login window, by entering his user name and password.
2. The program reads the ICAA-MAST to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAST>SysMaint_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE insurance company records in table IC-MAST.
4. The program must allow validation of each data entry field going to the IC-MAST following the validation instructions stated in Table 3A.

PROGRAM NAME: SYSM-ICE-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the Insurance Company Encoder Master Table.

The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in the ICE-MAST. To be able to do so, the Applications Administrator must have the System Maintenance Module authorization

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*
INSURANCE COMPANY MASTER TABLE (IC-MAST), *read only*
INSURANCE COMPANY ENCODER MASTER TABLE (ICE-MAST), *update*

PROGRAM NARRATIVE:

1. IC Applications Administrator logs in under the SYSM-ICE-MAST login window, by entering his user name and password.
2. The program reads the ICE-MAST to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAST>SysMaint_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE insurance company encoder records in table ICE-MAST. An encoder user account must belong to an existing insurance company master record, with field IC-MAST>Insurance_Company_Code as key.
4. The program must allow validation of each data entry field following the validation instructions stated in Table 3B.
5. Every instance that one Encoder record is updated (i.e., change of Encoder details, authorizations, etc.), the program will also automatically create an Account Update Sub-Table record and enter the system date and logged IC Application Administrator's code that effected the record update.

PROGRAM NAME: SYSM-AB-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the Authorized Bank Master Table.
The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in the AB-MAST. To be able to do so, the Applications Administrator must have the System Maintenance Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*
AUTHORIZED BANK MASTER TABLE (AB-MAST), *update*

PROGRAM NARRATIVE:

1. IC Applications Administrator logs in under the SYSM-AB-MAST login window, by entering his user name and password.
2. The program reads the ICAA-MAST to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAST>SysMaint_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE bank/collecting entity records for table AB-MAST. Note that both banks and other collecting entities (i.e., BayadCenter, G-Cash, other e-payment companies) may be included in this table.
4. The program must allow validation of each data entry field following the validation instructions stated in Table 4A.

PROGRAM NAME: SYSM-PC-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the Bank Teller Master Table.

The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in the BT-MAST. To be able to do so, the Applications Administrator must have the System Maintenance Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*

AUTHORIZED BANK MASTER TABLE (AB-MAST), *read only*

PAYMENT CHANNEL MASTER TABLE (PC-MAST), *update*

PROGRAM NARRATIVE:

1. IC Applications Administrator logs in under the SYSM-PC-MAST login window, by entering his user name and password.
2. The program reads the ICAA-MAST to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAS >SysMaint_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE bank teller records in table PC-MAST. A payment channel must also have a bank account with one of the authorized banks found in AB-MAST.
4. The program must allow validation of each data entry field following the validation instructions stated in Table 4B.
5. Every instance that one PC-MAST record is updated (i.e., change of details, authorizations, etc.), the program will also automatically create an Account Update Sub-Table record and enter the system date and logged IC Application Administrator's code that effected the record update.

PROGRAM NAME: SYSM-VB-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the Vehicle Brand Master Table.
The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in the VB-MAST. To be able to do so, the Applications Administrator must have the COC Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*
VEHICLE BRAND MASTER TABLE (VB-MAST), *update*

PROGRAM NARRATIVE:

1. IC Applications Administrator logs in under the SYSM- VB-MAST login window, by entering his user name and password.
2. The program reads the ICAA-MAST to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAST>CTPL_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE vehicle brand records in table VB-MAST.
4. The program must also allow entry of sub-records within the Vehicle Model Sub-Table of VB-MAST. The child table contains all recognized vehicle models of the given vehicle brand (see below for examples)
5. The program must allow validation of each data entry field following the validation instructions stated in Table 5B.

Examples:

Record:	Vehicle Brand:	TOYOTA		
Sub-Records	Vehicle Models:	Corolla	Corona	Camry
		Altis	Vios	Revo
		Innova	FX	Prado
Record:	Vehicle Brand:	FORD		
Sub-Records	Vehicle Models:	Expedition	Explorer	Escape
		Excursion	Lynx	Focus
		F-150	E-150	Fiesta

PROGRAM NAME: SYSM-VC-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the Vehicle Class Master Table.
The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in the VC-MAST. To be able to do so, the Applications Administrator must have the COC Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*
VEHICLE CLASS MASTER TABLE (VC-MAST), *update*

PROGRAM NARRATIVE:

1. IC Applications Administrator logs in under the SYSM-VC-MAST login window, by entering his user name and password.
2. The program reads the ICAA-MAST to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAST>CTPL_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE vehicle class records for table VC-MAST.
4. The program must allow validation of each data entry field following the validation instructions stated in Table 5C.

Examples:

Record:	Vehicle Class:	01
	VC Description:	Four-wheel vehicle under 1300 kgs
	Premium Amount:	600.00

PROGRAM NAME: SYSM-LTFRBE-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the LTFRB Examiner Master Table.

The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in the LTFRBE-MAST. To be able to do so, the Applications Administrator must have the PPAI Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*
LTFRB EXAMINER MASTER TABLE (LTFRBE-MAST), *update*

PROCESS DESCRIPTION:

1. IC Applications Administrator logs in under the SYSM-LTFRBE-MAST login window, by entering his user name and password.
2. The program reads the ICAA-MAST to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAST>PPAI_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE LTFRB examiner records in table LTFRBE-MAST.
4. The program must allow validation of each data entry field following the validation instructions stated in Table 6A.
5. Every instance that one LTFRB Examiner record is updated (i.e., change of details, authorizations, etc.), the program will also automatically create an Account Update Sub-Table record and enter the system date and logged IC Application Administrator's code that effected the record update.

PROGRAM NAME: SYSM-LGUE-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the LGU Examiner Master Table.

The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in the SYSM-LGUE-MAST. To be able to do so, the Applications Administrator must have the PPAI Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*
LGU EXAMINER MASTER TABLE (LGUE-MAST), *update*

PROCESS DESCRIPTION:

1. IC Applications Administrator logs in under the SYSM-LGUE-MAST login window, by entering his user name and password.
2. The program reads the ICAA-MAST to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAST>CGL_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE LGU examiner records in table LGUE-MAST.
4. The program must allow validation of each data entry field following the validation instructions stated in Table 7A.
5. Every instance that one LGU Examiner record is updated (i.e., change of details, authorizations, etc.), the program will also automatically create an Account Update Sub-Table record and enter the system date and logged IC Application Administrator's code that effected the record update.

PROGRAM NAME: SYSM-MARINAE-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the MARINA Examiner Master Table.

The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in the SYSM- MARINAE-MAST. To be able to do so, the Applications Administrator must have the Marine Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*
MARINA EXAMINER MASTER TABLE (MARINAE-MAST), *update*

PROCESS DESCRIPTION:

1. IC Applications Administrator logs in under the SYSM-MARINAE-MAST login window, by entering his user name and password.
2. The program reads the ICAA-MAST to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAST>Marine_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE Marina examiner records in table MARINAE-MAST.
4. The program must allow validation of each data entry field following the validation instructions stated in Table 8A.

PROGRAM NAME: SYSM-DENRE-MAST

PROGRAM DESCRIPTION: Data entry and system maintenance program for the MARINA Examiner Master Table.

The program will allow the authorized Application Administrator to ADD, EDIT, and DELETE records in the SYSM- DENRE-MAST. To be able to do so, the Applications Administrator must have the EnvRisk Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*
DENR EXAMINER MASTER TABLE (DENRE-MAST), *update*

PROCESS DESCRIPTION:

1. IC Applications Administrator logs in under the SYSM-DENRE-MAST login window, by entering his user name and password.
2. The program reads the ICAA-MAST to check if the Applications Administrator user is indeed authorized to access the Systems Maintenance Module (field ICAA-MAST>EnvRisk_Module_Authorization_Tag = 'Y')
3. Once found authorized, the applications administrator will be allowed by the program to ADD, EDIT, and DELETE DENR examiner records in table DENRE-MAST.
4. The program must allow validation of each data entry field following the validation instructions stated in Table 9A.

b. CTPL Module Programs

These programs handle CTPL -related processing, from initial entry of CTPL information at the Insurance Company up to the generation of CTPL exception reports.

Except for those indicated, all programs will be part of the RFP to be issued by IC and will be developed by the winning bidder.

PROGRAM NAME	PROGRAM DESCRIPTION
CTPL-DERIC	Data entry of new CTPL policy records at the Insurance Company
CTPL-PUB	COC Payment
CTPL-DFEE	Distribution of Premium Payment and Service Fees to Accounts of IC, Insurance Companies, BIR, Service Provider, Bank. (1)
CTPL -VLTO	Validation of CTPL Record at the LTO (2)
CTPL -EICP	Extraction of Insurance Company Entered CTPL Policy Records
CTPL -ELTOR	Extraction of LTO Entered Vehicle Registration Records
CTPL -EBCPR	Extraction of Bank's Collection of CTPL Payments (2)
CTPL -CICLTO	Comparing the period's IC-registered CTPL s versus LTO-registered CTPL s
CTPL-PAYMENTS	Generation of Payment Information from the Different Collecting Offices
CTPL -EXEPTION	Generation of Exception Reports

1-This program will be developed by the bank/collecting office and embedded in the bank's internal system. The program specification here is merely a guide for the design and process flow.

2-This program will be developed by LTO and embedded in the LTO's internal system. The program specification here is merely a guide for the design and process flow.

PROGRAM NAME: CTPL -DERIC

PROGRAM DESCRIPTION: Data entry of new COC records at the Insurance Company

The program will allow the authorized encoders from authorized insurance companies to ADD and DELETE records in the CTPL-TRAN. To be able to do so, the INSCO ENCODER must have the CTPL access authorization.

TABLES USED: INSCO ENCODER MASTER TABLE (ICE-MAST), *read only*
INSURANCE COMPANY MASTER TABLE (IC-MAST), *read only*
VEHICLE BRAND MASTER TABLE (VB-MAST), *read only*
VEHICLE CLASS MASTER TABLE (VC-MAST), *read only*
REGULATORS & SERVICE PROVIDERS MASTER TABLE (RASPA-MAST), *read only*
CTPL TRANSACTION TABLE (CTPL-TRAN), *update*

PROGRAM NARRATIVE:

1. The INSCO Encoder logs in under the CTPL -DERIC login window, by entering his user name and password.
2. The program reads the ICE-MAST to check if the user is indeed authorized to access the CTPL new records Module (field ICE-MAST>CTPL_Authorization_Tag = 'Y').
3. If the INSCO Encoder is not authorized,
 - a. The program displays an error message informing the Encoder about the unauthorized access and will instruct him to contact any IC Application Administrator (program must supply this information as well). The error message may be stated as follows:
 - i. If field ICE-MAST>CTPL_Authorization_Tag is not 'Y', message is 'User not authorized to enter CTPL Module'
 - ii. If error on user name and/or password, message is 'Invalid User Name or Password'
 - b. Program will append the system log file to record the Encoder's user name, date and time of access, and error message
 - c. Program will return to calling menu
4. If found authorized, the Encoder will be allowed by the program to ADD new CTPL records in table CTPL-TRAN.

NOTE: Encoders can only add new CTPL records into the CTPL-TRAN. In case an added record needs to be deleted or edited after saving (for reasons that the insured changed his mind about this COC, error in encoding, etc.), the Encoder needs to contact the IC Application Administrator to facilitate the deletion of the CTPL record. The IC may develop a reporting form for this purpose.

One option is to have a COC Hotline manned by IC 24X7. At any point where there is a problem in the COC process (i.e., COC record is saved but was found to have erroneous or mis-spelled entries; re-call (for deletion) of a recorded COC record; LTO stating that the COC is non-valid (at registration) despite the COC being purchased and paid at

legitimate channels, etc.), an agent or the insured can call the COC Hotline for assistance. For error in encoding (under this program specs) with the fault of the agent or insurance company, the IC Admin at the COC Hotline may allow the agent or insurance company encoder to edit the COC record – but only that record. IC may impose a corresponding fee for allowing this correction.

- a. Program creates a blank record to the CTPL-TRAN table.
- b. Displays data entry screen for new CTPL policy record, with data entry fields corresponding to the CTPL-TRAN table format (refer to Table 5B) showing the blank Vehicle Information fields (fields 1-6), Policy Coverage fields (fields 7-14), and Policy Payment fields (fields 15-21).
- c. The program will prompt entry of the vehicle's Chassis Number (*Note: the IC Commissioner wants to use the chassis number as search field*). The program will check table CTPL-TRAN if there is already an existing CTPL-TRAN record with the same chassis number.
 - i. If this is a renewal policy (i.e., the vehicle has had a COC legitimately covered the prior year) there will most likely be an existing record in table CTPL-TRAN. In this case, this existing record will actually be the previously-entered (possibly last year's) CTPL policy record, where the field CTPL-TRAN>Period_Coverred_End should be earlier or just a couple of weeks after the current date

NOTE: The CTPL Policy Number is different from the COC Number. A CTPL Policy may apply to just one single vehicle or to a fleet of vehicles. A COC, on the other hand, applies directly to only one vehicle. In most cases, there may be just one COC under one CTPL Policy. For purposes of this system, the COC will be used as part of the key, not the CTPL Policy Number.

The vehicle owner may get a new COC in preparation for his vehicle registration even if his prior year's COC has not fully lapsed. In such a case, there will be a period when the vehicle might actually be covered by two COCs -- the prior year's COC that is about to lapse, and a renewal COC to be used for a forthcoming vehicle registration.

- ii. The program will get the existing Vehicle-Related Fields (see Table 5A, fields 1-6) and use these same fields to populate the fields for the new CTPL-TRAN record (this procedure will not require the encoder to re-encode existing vehicle-related information anymore). The program will also allow the Insurance Company Encoder to overwrite the name of insured and address, as there will be cases of transfer of vehicle ownership (i.e., sale of vehicle) where the vehicle's new COC will have a different owner/insured from last year's COC.
- iii. The program will then allow data entry of Policy Coverage fields (fields 7-14), following the validation, instructions and remarks given at Table 5A.
- iv. The program will read the entered Vehicle Class (in the Vehicle Information field 6) and refer to table VC-MAST to get the corresponding premium amount for this vehicle.
- v. With the premium amount in, the program will also read the Insurance Company Code and refer to IC-MAST to get this insurance company's corresponding share in the premium amount.
- vi. The program will also refer to RASPA-MAS to get the corresponding shares of the following:
 1. RASP_CODE = 'BIR', to get the Premium_Tax field;
 2. RASP_CODE = 'IC', to get the IC_Fee field;

3. RASP_CODE = 'LTO', to get the LTO_Fee;
 4. RASP_CODE = 'SP', to get the Service_Provider_Fee.
- d. Once data entry is complete, the program will formulate a CTPL Encoding Reference Code (the developer will develop an algorithm to generate and later check a valid reference code) which will be recorded in that field and will be printed out for the INSCO Encoder's use and reference.
 - e. Program will also automatically record the details of the Encoder based on login account, and the encoding time and date based on system time and date.

NOTE: The program will not yet upload this record to the Central LTO System. This record needs to be paid first, after which the system will automatically forward this to Central LTO. Payment is discussed in program CTPL-PUB.

- f. Program will return to the calling menu.

PROGRAM NAME: CTPL-PUB

PROGRAM DESCRIPTION: **Payment Update at the Bank**

The program will allow connection with authorized payment channels where electronic payment of COC will be received, validated (based on vehicle class), posted as paid, and issuance of a payment reference number.

This program is intended to an internally-developed program within the authorized bank system. The process below describes how the process may run.

TABLES USED: PAYMENT CHANNEL MASTER TABLE (PCM-MAST), *read only*

CTPL TRANSACTION TABLE (CTPL-TRAN), *update*

CTPL TRANSACTION TABLE COPY IN LTO, *update*

PROGRAM NARRATIVE:

NOTE: The system will allow electronic payments from payment channels (electronic wallets like G-Cash or SmartMoney, payments services like BayadCenter and LBC, bank ATM systems, and on-line banking like www.bpiexpressonline.com). These electronic payments will then be accepted by the authorized bank (e.g., LandBank) which will then follow the procedures described next.

The authorized bank will have to separately arrange for the system-to-system link with these payment channels. The payment channels will also have to maintain a bank account with the authorized bank.

The key to identify the COC shall be Insurance Company Code (5 characters) + space + COC Number (no standard length) + space + Start Date of Period Covered as stated in the COC (mmdyy format)

1. The authorized banks system will accept the electronic payment from the payment channel's system. The script of the electronic payment transaction will typically have the insurance company code, the COC number, the start date of the period covered, and the amount of premium paid (four fields).
2. The program automatically accesses CTPL-TRAN and checks if the COC record exists based on the fields supplied. If the COC record is not found, the authorized bank's system returns a message to the payment channel with the corresponding message (e.g., 'COC Record not found. Payment not accepted...') and rejects the transaction.
3. If the COC record is found, the program will also check the following:
 - a. If the field Payment_Reference_Code is filled with a properly formatted code. If this is filled, this indicates that the COC has been paid (a paid COC may also indicate that the vehicle this COC was issued for may already have been registered in the LTO). The authorized bank's system returns a message to the payment channel with the corresponding message (e.g., 'COC has already been paid, Payment not accepted...') and rejects the transaction.
 - b. The program will check the Premium_Amount_Paid (Note that the amount in this field is taken from the table VC-MAST, given the vehicle class of the vehicle being covered [refer to program CTPL-DERIC], so there is no need to check the amount at this point) if it matches the amount being paid via the payment channel. A different amount – whether higher or lower – will make the authorized bank's system to return a message to the payment channel with the corresponding

message (e.g., 'Amount paid is [higher / lower] than the required amount. Payment not accepted') and rejects the transaction.

NOTE: The responsibility of checking if there is enough credit by the agent or insured for e-payments shall be with the payment channel. Ideally, the payment channel will not allow the agent or insured to issue an amount that is more than the agent/insured's available credit in the system.

- c. If both conditions a. and b. were satisfied, the program will fill the field Payment_Reference_Code with a properly formatted code to indicate that the premium payment is sufficient and has been accepted. The program will then return the same Payment_Reference_Code to the payment channel (for the payee) with the corresponding message (e.g., 'Payment accepted for COC' + Payment_Reference_Code)

Sending CTPL-TRAN record to LTO. While this program is functionally separate from the payments processing, it will be automatically triggered once the CTPL-PUB is terminated with a successful payment (see item c. above). This program will reside and run from the IC system side, not the bank's.

Program will send the completed CTPL-TRAN record (the record at this point contains the vehicle and policy information, as well as payment information) to the Central LTO Database. Transmission will be automatic (i.e., not triggered by any user anymore), and will run through the web-based inter-connection between IC and LTO.

A program within Central LTO (to be developed by the LTO system provider), meanwhile, will receive the transmitted CTPL-TRAN record. This same program will then append this record into the CTPL-TRAN COPY OF LTO. This table will be used by LTO examiners in validating the COC.

NOTE: It will be the prerogative of the developers in LTO whether to directly store this record into the CTPL-TRAN COPY IN LTO or if will be stored in a temporary table.

PROGRAM NAME: CTPL-DFEE

PROGRAM DESCRIPTION: Distribution of Premium Payment and Service Fees to Accounts of IC, Insurance Companies, BIR, Service Provider, Bank

The program, to be used by the Authorized Bank or collecting facility, will ideally run immediately after CTPL-PUB. The program will automatically subdivide the premium payments received to corresponding accounts by the agencies and service providers.

This program is intended to an internally-developed program within each authorized bank or collecting agency's system. The process below describes how the process may run.

TABLES USED: CTPL TRANSACTION TABLE (CTPL-TRAN), *read only*

REGULATORS & SERVICE PROVIDER ACCOUNT MASTER TABLE (RASPA-MAST), *read only*

PROGRAM NARRATIVE:

1. The program reads each of the CTPL payment record in the internal Bank Payments Transaction Table (internal to the bank).
2. The distribution of payments and fees will be based on the amounts found in the CTPL-TRAN record. Internally, the Bank should already note the actual or computed amount based on the regulators' or service provider's account in table RASPA-MAST. The distribution may appear as follow:
 - a. Premium Due to Insurance Company, including commission of Agent/Broker (The Insurance Company shall distribute agent/broker commissions internally, not via this system).
 - b. Insurance Reserve, as specified by the Insurance Commission.
 - c. Fee due to Insurance Commission.
 - d. Fee due to the LTO
 - e. Premium Tax and other taxes due to BIR.
 - f. Fee due to Service Provider, including this bank/collecting agency .

PROGRAM NAME: CTPL-VLTO

PROGRAM DESCRIPTION: Validation of CTPL Record at the LTO

The program automatically checks the COC information in the CTPL-TRAN COPY IN LTO with the internal LTO Vehicle Registration Database, and validate vehicle details. This program is embedded in the LTO Vehicle Registration System and will be triggered to run automatically, transparent to the user.

This program is intended as an internally-developed program within the LTO Vehicle Registration System. The process below describes how the process may run; it can be revised by LTO to suit its system's needs and peculiarities.

TABLES USED: CTPL TRANSACTION TABLE (CTPL-TRAN), *update*

Other internal LTO Database referring to LTO Examiners

PROGRAM NARRATIVE:

1. The LTO Examiner logs into the LTO Registration system and will be subject to internal system security procedures.
2. The LTO Examiner, as a regular procedure in vehicle registration, views the vehicle's record in the LTO Database by entering the vehicle chassis number + vehicle plate.
 - a. The CTPL-VLTO program (which is embedded in the LTO system and is called transparently) reads the CTPL-TRAN COPY IN LTO. The program uses the chassis number + plate number as the search key.
 - i. If the program finds a CTPL-TRAN records with the same chassis number and plate number, it will check if the `Payment_Reference_Code` is filled and if `LTO_Examination_Reference_Code` is still blank
 - i. There may be a number of CTPL-TRAN records present in this table with the same chassis number, especially if the vehicle has had COCs before and has been registered with the LTO before. To determine the current/unused (and therefore valid) COC for this registration, the CTPL-TRAN record must have field **Payment_Reference_Code filled** (i.e., this has been paid via the proper payment channel) **but** the field **LTO_Examination_Reference_Code is still blank** (i.e., it has not been validated by any LTO Examiner).

NOTE: In case the `Payment_Reference_Code` is not filled, this indicates that the COC has not been paid, which makes the COC record invalid even if the `LTO_Examination_Reference_Code` is still blank. Ideally, a COC record without a `Payment_Reference_Code` should not have been transmitted to LTO. In case the `LTO_Examination_Reference_Code` is filled, this indicates the COC has been validated and used already, and this makes the COC record also not valid for this registration.

- ii. If either one of the two conditions above is false, this indicates a non-valid COC. The program will put out an error message accordingly (either 'COC is

not paid' or 'COC has been used & not applicable here') on screen and will be printed out for the vehicle owner's reference. The program returns to the LTO calling program.

- ii. If the program does not find any record with a matching chassis number + plate number, this indicates that there is not COC recorded for this vehicle. The program will put out an error message 'No COC found for this vehicle' on screen and will be printed out for the vehicle owner's reference. The program returns to the LTO calling program.
- b. If the program finds field **Bank_Payment_Reference_Code** filled and the field **LTO_Examination_Reference_Code** is still blank, this indicates a paid and valid COC. The program will then check for a match of the COC details versus the LTO records.
- i. The program will check if the Owner Name in the CTPL-TRAN is the same as that in the LTO System. The program will display on-screen if the names are different, which can trigger a more thorough examination by the LTO Examiner

NOTE: A change in owner name may be explained by the transfer of ownership via sale, which can be validated by an absolute deed of sale and update in the OR/CR records of the vehicle. This ADS & OR/CR adjustment is typically completed prior to registering the vehicle and therefore must be recorded already in the LTO System.

Another reason for a mismatch may be a wayward space or mis-encoded letter but otherwise referring to the same name. It is critical for the LTO Examiner to visually compare these and determine if the mismatch is caused by just an encoding error, or if the names are indeed totally different.

- ii. The program will check if the vehicle brand, model and year in the CTPL-TRAN are the same as that in the LTO System. The program will display on-screen if either the vehicle brand, model and year are different, which can trigger a more thorough examination by the LTO Examiner.

NOTE: The program itself will not terminate if there are mismatches at this point. The program will however, display these mismatches on-screen and on print, so that the LTO Examiner can more thoroughly examine the records.

- iii. In case there are mismatches, the LTO examiner can inquire and ask the vehicle owner to prove and correct the mismatches. The LTO Examiner can then decide whether to proceed with the registration, or terminate the registration due to non-valid COC.
- iv. If the registration proceeds, the program will fill the LTO_Examination_Reference_Code, indicating that the COC is valid and the vehicle was duly registered.
- v. If the registration was terminated, the program will note the reason for termination in screen and on print, for the vehicle owner's reference.

PROGRAM NAME: CTPL-EICP

PROGRAM DESCRIPTION: Extraction of Insurance Company Entered CTPL Policy Records

The program will allow the authorized Application Administrator to EXTRACT records from the CTPL-TRAN to a Periodic Temporary Table, based on the given range of dates corresponding to the CTPL Encoding Date field. To be able to do so, the Applications Administrator must have the Extraction and Reporting Module authorization.

TABLES USED: IC APPLICATION ADMINISTRATOR MASTER TABLE (ICAA-MAST), *read only*

CTPL TRANSACTION TABLE (CTPL-TRAN), *read only*

EXTRACTED CTPL TRANSACTION TABLE (ECTPL-TEMP), *update*

PROGRAM NARRATIVE:

1. IC Applications Administrator logs in under the CTPL-EICP login window, by entering his user name and password.
2. The program reads the ICAA-MAST to check if the user is indeed authorized to access the Extraction and Reporting Module (field ICAA-MAST>CTPL_ Module_ Authorization _Tag = 'Y')
3. Once found authorized, the program will prompt the IC Application Administrator to enter a range of dates a Start (or From) date, and an End (or To) Date.
4. The program will extract all CTPL Policy records in the CTPL-TRAN with CTPL Encoding Dates falling within the supplied range of dates. These extracted records will be loaded into a fresh (empty) ECTPL-TRAN.

PROGRAM NAME: CTPL-ELTOR

PROGRAM DESCRIPTION: Extraction of LTO Entered Vehicle Registration Records

The program will allow the authorized LTO Application Administrator to EXTRACT records from their LTO Vehicle Registration Table to a periodic/temporary Extracted LTO Vehicle Registration Table, based on the given range of dates. Ideally, this range of dates must be the same as the range of dates supplied during the run of the CTPL-EICP.

TABLES USED: LTO Vehicle Registration Table, *read only*

EXTRACTED LTO VEHICLE REGISTRATION TABLE (ELTOVR-TEMP), *update*

PROGRAM NARRATIVE:

1. With the given range of dates, the program reads and copies records of all LTO registered vehicles from the LTO Database into the ELTOVR-TEMP.
2. The program must empty the receiving ELTOVR-TEMP to ensure that only the records for the given range of dates are included.
3. Record fields needed from the LTO Database is shown in Table 5E.

PROGRAM NAME: CTPL-CICLTO

PROGRAM DESCRIPTION: Comparing the period's IC-registered CTPLs versus LTO-registered CTPLs

The program will compare the extracted CTPLs from the IC Dabatase (ECTPL-TEMP) versus extracted CTPL information from the LTO Database (ELTOVR-TEMP). The output shall be an exception table allow the authorized Bank's Application Administrator to EXTRACT records from their CTPL Payments Transaction Tables to a periodic/temporary Extracted Banks Payments Table, based on the given range of dates. Ideally, this range of dates must be the same as the range of dates supplied during the run of the CTPL-EICP.

TABLES USED: EXTRACTED CTPL TRANSACTION TABLE (ECTPL-TEMP), *read only*
EXTRACTED LTO VEHICLE REGISTRATION TABLE (ELTOVR-TEMP), *read only*
CTPL EXEPTION TABLE (CTPLE-TEMP), *update*

PROGRAM NARRATIVE:

1. The program indexes ECTPL-TEMP and ELTOVR-TEMP by COC Number field.
2. The program then compares the records within ECTPL-TEMP and ELTOVR-TEMP line per line. If an exception is found, a new record will be created in the CTPLE-TEMP to record this exception. The program must ensure that at the start, the CTPLE-TEMP is blank.
3. The following criteria will be used for the exception table:
 - a. COC Number is found in ECTPL-TEMP (IC-CID) but not in ELTOVR-TEMP (LTO Database), with a message 'FOUND IN IC-DB, MISSING IN LTO-DB' in the Exception Remarks field.
 - b. COC Number is found in ELTORVR-TEMP but not in ECTPL-TEMP, with a message 'FOUND IN LTO-DB, MISSING IN IC-DB' in the Exception Remarks field.
 - c. COC Number is found in both, but at least one of the following does not match
 - i. Plate Number
 - ii. Chassis Number
 - iii. Vehicle Model
 - iv. Vehicle Brand
 - v. Name of Insured
 - vi. Premium amount paid

In the case of item c., the program will add to CTPLE-TEMP the record found in ECTPL-TEMP and the one found in ELTOVR-TEMP (thus, two records for every mismatched field), with a message indicating the mismatched field (i.e. 'MISMATCHED PLATE NUMBERS', or 'MISMATCHED VEHICLE MODEL' in the Exception Remarks field. In case more that one field was mismatched, separate records shall be added into the CTPLE-TEMP.

PROGRAM NAME: CTPL-PAYMENTS

PROGRAM DESCRIPTION: Generation of Payment Information from Collecting Offices

The program will produce all payments made from a given date range.

TABLES USED: CTPL TRANSACTION TABLE (CTPL-TRAN), *read only*

PROGRAM NARRATIVE:

1. The program indexes CTPL-TRAN based on Bank_Code
2. The program asks for a range of date to be reported. This range of date filters the CTPL-TRAN where all Bank_Payment_Date is within the given range of dates.
3. The program generates the report based on the format below, i.e., grouped by bank/collecting office. The payment information and the fees due to each of the regulators and service providers will be detailed.
4. At the end of the report, a summary of amounts due to the regulators and service providers will be printed.

INSURANCE COMMISSION
PAYMENTS
FOR PERIOD 01JAN2007 - 15JAN2007

COC	INSURANCE COMPANY	NAME OF INSURED	PREMIUM PAID	DUE TO BIR	DUE TO IC	DUE TO LTO	DUE TO SVC PROV
COLLECTING OFFICE: LAND BANK (CODE: A1111)							
222-222	ABC Insurance	XXXX X. XXXXXX	P600.00	P25.00	P10.00	P15.00	P10.00
222-233	DEF Corp	X.X. XXXXXXXXXX	P600.00	P25.00	P10.00	P15.00	P10.00
123-234	DEF Corp	XXXXXX XXXXXX	P600.00	P25.00	P10.00	P15.00	P10.00
COLLECTING OFFICE: BAYADCENTER (CODE: B2222)							
333-333	DEF Corp	XXXX X. XXXXXX	P600.00	P25.00	P10.00	P15.00	P10.00
334-321	Kapre Ins	X.X. XXXXXXXXXX	P600.00	P25.00	P10.00	P15.00	P10.00
321-654	Kapre Ins	XXXXXX XXXXXX	P400.00	P25.00	P10.00	P15.00	P10.00

TOTAL PREMIUMS PAID:	P 999,999.99
TOTAL DUE TO BIR	P 999,999.99
TOTAL DUE TO IC	P 999,999.99
TOTAL DUE TO LTO	P 999,999.99
TOTAL DUE TO SVC PROV:	P 999,999.99

PROGRAM NAME: CTPL-EXEPTION

PROGRAM DESCRIPTION: Generation of Exception Reports

The program will produce exception reports based on exceptions recorded in the CTPLET.

TABLES USED: CTPL EXEPTION TABLE (CTPLE-TRAN), *read only*

PROGRAM NARRATIVE:

1. The program indexes CTPLE-TRAN by Date_Of_Regustration_In_LTO.
2. The program creates a report with the following format.

INSURANCE COMMISSION
EXCEPTION REPORT
FOR PERIOD 01JAN2007 - 15JAN2007

COC	INSURANCE COMPANY	DB SOURCE	NAME OF INSURED	PLATE NUMBER	VEHICLE BRAND	VEHICLE MODEL	LTO EXAMINER	LTO BRANCH	EXCEPTION CAUSE
1111-11	ABC Company	IC	Pedro Santos	CGG-222	Honda	Civic	A4444	Makati	Found in IC-DB, not in LTO-DB
124-321	DEF Insurance	LTO	Juan Cruz	UCC-334	Toyota	Corolla	B4567	Pasig	Found in LTO-DB, not in IC-DB
A0233-3	ZYX Assuran	LTO	Joseph Reyes	XGF-345	Kia	Pride	D6787	Mandaluyong	Plate Number in LTO-DB is XGF-345
A0233-3	ZYX Assuran	IC	Joseph Reyes	UNF-356	Kia	Pride	D6787	Mandaluyong	Plate Number in IC-DB is UNF-356

11. HARDWARE PLAN

a. Hardware Requirements

Assumptions:

- a. All application-related servers are owned by the Insurance Commission
- b. IC servers will be co-located in an Internet Data Center. These will not be housed in the IC Offices
- c. Network, security (including firewall), and web management is assumed by the IDC as part of service
- d. The Application Server, Database Server, and Web Server services may logically be in just one physical computer. In certain cases, this is the strategy followed until volume and traffic necessitates a 'one server – to – one machine' ratio. For purposes of costing, a 'one server – one machine' strategy will be followed.

i. Application Server

Reference specification:

HP Proliant ML370 G3 Server, full specification:

- Processor: 2X 2.8Ghz (minimum) Intel Xeon
- Memory: 6.0GB (minimum) DDR400 SDRAM dual interleaved
- Disk: 4X (minimum) Wide Ultra 160 Drives

Estimated Cost: P350,000.00

ii. Database Server

Reference specification:

HP Proliant ML370 G3 Server, full specification:

- Processor: 2X 2.8Ghz (minimum) Intel Xeon
- Memory: 6.0GB (minimum) DDR400 SDRAM dual interleaved
- Disk: 4X (minimum) Wide Ultra 160 Drives

Estimated Cost: P350,000.00

iii. Web Server

Reference specification:

HP Proliant ML330 G3 Server, full specification:

- Processor: Single 3.06Ghz (minimum) Intel Xeon
- Memory: 4.0GB DDR400 SDRAM
- Disk: Single U3 SCSI Drive

Estimated Cost: P200,000.00

b. System-Support Software Requirements

i. Operating System

IC has the option to either use FOSS (free open-sourced system) or Windows-based operating systems. For purposes of costing, the reference specification will use Windows Server 2003 which for obviously reasons will have a higher cost to implement.

Reference specification:

Windows Server 2003 R2 Enterprise Edition (option to get the 'x64 Edition' or the 'Itanium-based System Edition', if required by server

Estimated Cost: P100,000.00 per server

ii. Anti-virus Software

Reference specification:

Trend AV for Networks

Estimated Cost: P200,000.00 for the server group.

12. NETWORK PLAN

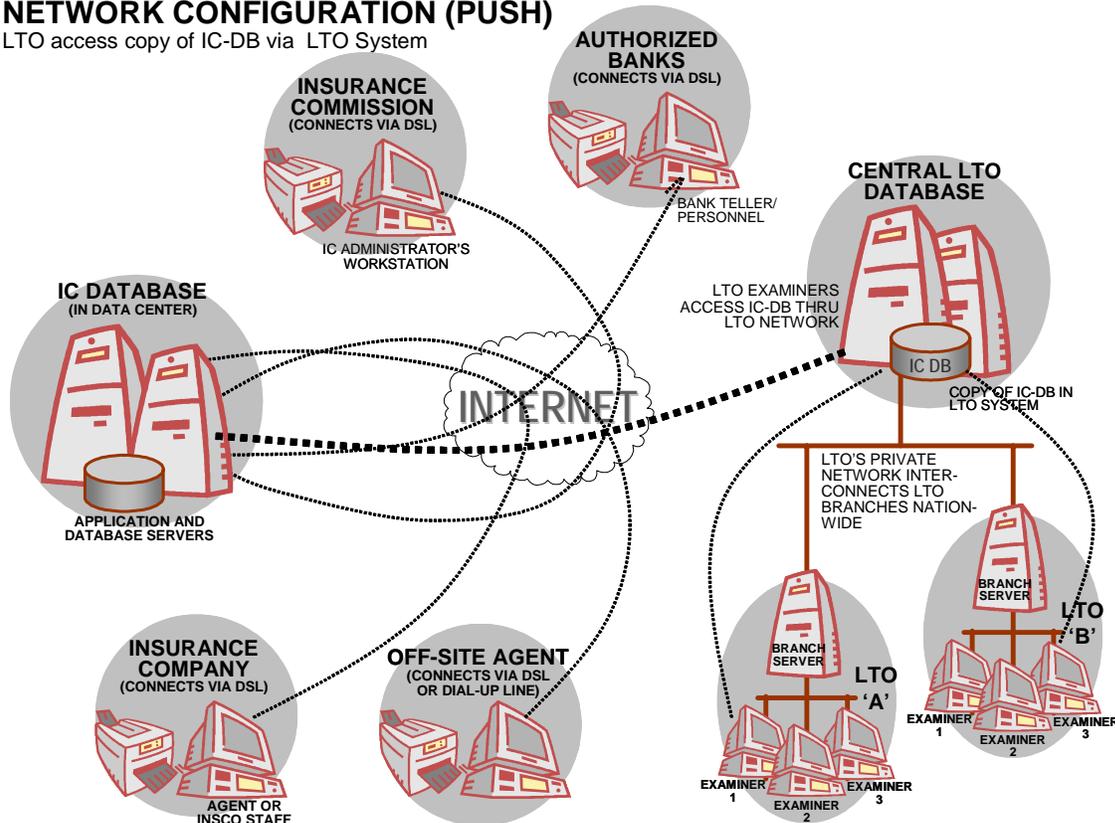
The following illustrates a proposed network set-up for the IC-CID. The design has the following assumptions:

- Inter-connection will use the Internet as the main channel, thus, each party involved (i.e., IC Office, banks, insurance companies, etc.) must have an Internet link. Ideally, these parties should have a stable DSL link.
- The IC-CID system and database will be housed in an independent internet data center (IDC) where it will be managed 24X7 by experts under a strict service level agreement.
- IC CID will 'push' copies of registered CTPL records to Central LTO Database. LTO examiners (within the LTO branches nation-wide) will then access CTPL policy information using the copy at the Central LTO Database.

Figure 5. Network Configuration

NETWORK CONFIGURATION (PUSH)

LTO access copy of IC-DB via LTO System



13. SYSTEM MANAGEMENT AND MANPOWER PLAN

The proposal is for the IC to outsource the maintenance of the System Software to a qualified Systems Integrator and the management of the System to an Internet Data Center.

The services that shall be contracted out to the Systems Integrator shall include the following:

1. Maintenance of the program modules
2. Updating the system software versions
3. Capacity Planning
4. Technical Support
5. Help Desk

The services that shall be covered by a Service Level Agreement (SLA) with the Internet data Center shall include the following:

1. Data Center Space
2. Network Bandwidth
3. Server Capacity
4. Management of Systems
 - Network Management
 - Back-up
 - Disaster Recovery

The following services shall be provided by the IC:

1. Systems Administration
 - User Authorization and maintenance
 - Systems Performance Monitoring
 - Reports Generation
2. Supplier Relations Management

For the IC provided services, the Insurance Commission shall need to deploy (hire or re-assign existing staff) at least two additional staff.

14. IMPLEMENTATION TIMETABLE

The following is the timetable set by the Insurance Commission for the development and implementation of the Insurance Commission Compulsory Insurance Database System:

	MONTH WEEK#	JANUARY				FEBRUARY				MARCH				APRIL				MAY				JUNE				JULY			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
TOR Preparation																													
Consultation		■	■																										
Approval				■	■																								
Bidding and Awarding - System Development																													
Bidding					■	■	■	■																					
Awarding						■	■	■																					
Negotiation							■	■																					
Bidding and Awarding - Hosting & Telecom Services																													
Bidding					■	■	■	■																					
Awarding						■	■	■																					
Negotiation							■	■																					
MOA with LTO																													
Preparation of MOA			■	■	■	■	■	■																					
Discussion with LTO			■	■	■	■	■	■																					
Signing								■																					
LTO's SysDev activities									■	■	■	■	■	■	■	■													
MOA with Banks																													
Preparation of MOA			■	■	■	■	■	■																					
Discussion with Banks			■	■	■	■	■	■																					
Signing								■																					
Bank's SysDev activities									■	■	■	■	■	■	■														
Issuance of Industry Circulars																													
Preparation of Circulars			■	■	■	■	■	■																					
Discussion with Inscos			■	■	■	■	■	■																					
Release of Circulars								■																					
System Development																													
Programming									■	■	■	■	■	■	■														
Testing													■	■	■	■													
Evaluation & Clean-up															■	■	■	■											
Deployment																													
Pilot																	■	■	■	■									
Evaluation																					■	■	■	■					

	MONTH	JANUARY				FEBRUARY				MARCH				APRIL				MAY				JUNE				JULY							
		WEEK#	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
Adjustment																																	
Full Deployment																																	

Bidders will be required to submit their detailed timetable following the above schedule to the extent possible. Reasons for any deviations from this schedule must be explained.

15. DETAILED BUDGETS

ONE-TIME COSTS

A. DEVELOPMENT & DEPLOYMENT

PROGRAMMING

System Maintenance Module (8 programs, 2.0 man/days per program)

16.0 man/days x P10,000 /man/day P160,000

CTPL Module (10 programs, 5.0 man/days per program)

50.0 man/days x P10,000 /man/day P500,000

Miscellaneous Programming

20.0 man/days x P10,000 /man/day P200,000

TESTING

System Maintenance Module (9 programs, 2.0 man/days per program)

16.0 man/days x P10,000 /man/day P160,000

CTPL Module (10 programs, 3.0 man/days per program)

30.0 man/days x P10,000 /man/day P300,000

DEPLOYMENT SUPPORT (INCLUDING TRAINING)

System Maintenance Module (to IC Users Only)

3.0 man/days x P10,000 /man/day P30,000

CTPL Module (to users from IC, Insurance Comp, Banks/Collecting Offices, LTO)
for IC

3.0 man/days x P10,000 /man/day P30,000

for Insurance Companies - 1.5 man/day per insco, assume 5 inscos

7.5 man/days x P10,000 /man/day P75,000

for Banks/Collecting Offices - 1.5 man/day per Bank, assume 5 offices

7.5 man/days x P10,000 /man/day P75,000

for LTO - 1.5 man/day per LTO Branch, assume 10 offices

15.0 man/days x P10,000 /man/day P150,000

Sub-total: P1,680,000

MANAGEMENT AND OTHER INCIDENTALS FEES (15%) P252,000

P1,932,000

ESTIMATED DEVELOPMENT & DEPLOYMENT : P2,000,000

B. DATABASE & SYSTEM-RELATED SOFTWARE LICENSES P4,500,000

Assumption: Use of Oracle RDBMS

C. INTERNET-RELATED SOFTWARE LICENCES P3,500,000

TOTAL ONE-TIME COST (Y1): P10,000,000

RECURRING COST

A. MONTHLY - STARTING AT DEPLOYMENT PERIOD

SERVER RENTAL & HOSTING	P140,000
INTERNET CONNECTION	P42,000
HELP DESK	P30,000

B. YEARLY - STARTING YEAR 2

APPLICATION SYSTEM MAINTENANCE, LICENSE MAINTENANCE	P1,500,000
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ANNEX 1. LTFRB Memorandum Circular No. 2004-004

No. 2004-004

Subject: AMENDING MEMORANDUM CIRCULAR NOS. 99-011 AS AMENDED, AND 2001-001 (IMPLEMENTING GUIDELINES OF THE REVITALIZED LTFRB PASSENGER PERSONAL ACCIDENT INSURANCE PROGRAM (PPAIP) FOR PUBLIC LAND TRANSPORT SERVICES.

Date: March 15, 2004

IMPLEMENTING GUIDELINES:

- 1) Two management group: ODD-EVEN system
- 2) Package Benefits

All public Utility vehicles , are hereby required to secure an "All Risk-No Fault" passenger personal accident insurance with the following covered benefits:

TYPE OF SERVICE	DEATH BENEFITS	MEDICAL BENEFITS
BUSES/minibuses	3,360,000	700,000
JEEPNEYS	900,000	187,500
AUV's/VAN	540,000	112,500
SEDAN	300,000	62,500
TRUCKS-FOR-HIRE	180,000	37,500

BENEFITS and REMUNERATION BENEFITS	MAXIMUM AMOUNT PER PASSENGER
1. Accidental Death	60,000
2. Loss of two or more limbs	60,000
3. Total and irrecoverable loss of sight in both eyes	60,000
4. Dismemberment in one limb	30,000
5. Total and irrecoverable loss of sight one eye	30,000
6. Loss of arm, at or above el	42,000
7. Loss of both hands or all fingers and both thumbs	60,000
8. Loss of arm between elbow and wrist	30,000
9. Loss of hand	25,500
10. Loss of 4 fingers	25,500
11. Loss of 1 thumb	18,000
12. Loss of index finger	9,000
13. Loss of middle finger	6,000
14. Loss of ring finger	3,000
15. Loss of little finger	3,000
16. Loss of metacarpals	2,400
1 st or 2 nd (addi.)	1,800
3 rd , 4 th , & 5 th	1,200
17. Loss of leg above the knee	36,000
18. Loss of leg below the knee	30,000
19. Loss of one foot	30,000
20. loss of big toe	3,000
21. Loss of all toes in one foot	9,000
22. Loss of any toe other than big toe	600
23. Loss of hearing both ear	30,000
24. Loss of one ear	4,200

ANNEX 2. MARINA MEMORANDUM CIRCULARS

MARINA MEMORANDUM CIRCULAR NO. 40

TO : ALL PERSONS ENGAGED IN THE BUSINESS OF CARRYING PASSENGERS IN THE INTERISLAND TRADE AND OTHERS CONCERNED.

SUBJECT : COMPULSORY PASSENGER INSURANCE COVERAGE

Please be informed that in its meeting on 21 August 1987 , the Board approved the following set of guidelines governing the implementation of a compulsory insurance requirement for inter-island passenger shipping operation , as follows:

1. **GENERAL RULE** - No Certificate of Public Convenience (CPC) shall be issued nor renewed unless and until a satisfactory passenger insurance coverage is submitted to the Maritime Industry Authority (MARINA). Provided, however , that those operators which have valid and existing CPCs are hereby given two (2) months from date of effectivity hereof within which to submit a satisfactory passenger insurance coverage , failing which their franchise shall, after due notice and hearing be suspended or cancelled .
2. **EXCEPTION** -Those operators who, through no fault of their own cannot secure a satisfactory insurance cover shall have the option of posting with MARINA a satisfactory deposit or surety bond or any other form of security in accordance with separate guidelines to be issued governing the same. This option can only be availed of, however, upon proof presented to MARINA that no insurance company is willing to take risk at reasonable premium rate .
3. **SATISFACTORY PASSENGER INSURANCE** - Passenger insurance cover is deemed satisfactory if it meets the following basic / minimum requirements:
 - a. **Issuing Company**.-The policy is one issued by an insurance company or pool/group of insurance companies authorized to do business as such by the Insurance Commission and accredited by the MARINA.
 - b. **Minimum Amount of Cover/Aggregate Limit of Liability**.-
 1. per passenger- P20,000 minimum
 2. aggregate limit of liability – the maximum allowable passenger capacity of the carrying vessel or the passenger manifest, whichever is lower.
 - c. **Period of Cover**.- The insurance should attach from the time passenger sets foot on the boarding gangway or ladder leading to the deck, continues during the entire course of the voyage covered by the passenger ticket or coupon until the passenger shall have left the disembarking gangway or ladder at the port of destination.

It is understood that the insurance shall continue during the time the vessel calls on designated or intermediate ports provided the passenger stays on board. Should any passenger in transit disembark at such designated or intermediate port not his destination , the insurance shall be deemed suspended as at the moment the passenger leaves the ladder or disembarking gangway and shall remain suspended whilst on land. The cover for such passenger is restored as at the moment he sets foot on the gangway or ladder to board the vessel.

If the passenger continues to stay on board the vessel beyond the port of destination designated in his passenger ticket or coupon without leave from the vessel authorities, then the insurance shall cease , insofar as such passenger is concerned as, the moment the vessel's anchor is raised to commence the voyage beyond the passenger's destination.

In addition, if the vessel whilst at sea, sinks or has to be abandoned because of fire, stranding, agrounding, or capsizing or other perils at sea , the insurance shall remain in full force until the passengers reach or are safely brought to the nearest port of refuge or safety.

- d. Risks insured against - Death or bodily injury to the accidental causes, occurring during the period of cover as defined in paragraph c hereof. "Death" shall cover burial and funeral expenses while "bodily injury" shall cover permanent disability and medical/hospitalization expenses in accordance with the Schedule of Indemnities set forth below:

e. Schedule of Indemnities

Description of Disablement	Percentage on the Amount of Coverage
Loss of two limbs	100%
Loss of both hands, or all fingers and both thumbs	100%
Total loss of sight of both eyes	100%
Total paralysis	100%
Loss of both feet	100%
Injuries resulting in being permanently bedridden	100%
Any other injury causing permanent total disablement	100%
Loss of arm at or above elbow.	70%
Loss of arm between elbow and wrist	50%
Loss of hand at wrist.	50%
Loss of four fingers and thumb of one hand	50%
Loss of four fingers	35%
Loss of thumb	25%
Loss of index finger	10%
Loss of middle finger	6%
Loss of ring finger	5%
Loss of little finger	4%
Loss of metacarpals-first or second (additional)	3%
- third , fourth or fifth 9(additional)	2%
Loss of Leg-at hip	70%
- between knee and hip	60%
- below knee	50%
Loss of toes – all of one foot	15%
Loss of big toe	5%
Loss of any toe other than big toe, each.	1%
Eye: Loss of whole eyes	30%
-sight of	30%
-sight of, except perception of light	30%
-lens of	20%
Loss of hearing – both ears	50%
-one ear	25%

- f. Claims Settlement - The insurance company shall pay any claim for death or bodily injury sustained by a manifested passenger without the necessity of proving fault or negligence on the part of the car carrier . Immediate payment shall be made upon presentation of the following proofs:
1. In case of death- death certificate and evidence sufficient to establish the proper payee . For purposes of this coverage, a passenger is presumed dead if he is missing and cannot be located after six (6) months from date of casualty. For claims settlement purposes, therefore , a certification from the Philippine Coast Guard to the effect that the passenger is missing and cannot be located despite diligent search would suffice.
 2. In case of bodily injury resulting in permanent disability –certification from licensed physician .
In case of dispute , the same shall be settled by the Insurance Commission in accordance with existing law.
4. **ANNUAL POLICY** - The operator shall see to it that the insurance policy submitted to MARINA is renewed on time annually as to afford the passengers continued protection. The renewed policy shall be submitted to MARINA at least fifteen (15) days before the lapse of the policy. In the event of that payment is denied a passenger because of lapse or invalidity of the policy, operator shall be held responsible to the passenger in accordance with existing law . In addition thereto, the operator's franchise may, after due notice and hearing , be cancelled.
5. **EFFECTIVITY** - This Circular shall take effect fifteen (15) days after its publication in the Official Gazette.

PHILLIP S. TUAZON
Administrator

APPROVED:

RAINERIO O. REYES
Secretary of Transportation and Communications

MARINA MEMORANDUM CIRCULAR NO.40-A

TO : ALL PERSONS ENGAGED IN THE BUSINESS OF CARRYING PASSENGERS IN
THE INTERISLAND TRADE AND OTHER CONCERNED

SUBJECT : AMENDMENT OF MEMORANDUM CIRCULAR NO. 40 BY INCREASING THE
AMOUNT OF COMPULSORY PASSENGERS INSURANCE COVERAGE

Please be informed that in its meeting on 20 January 1988, the Board approved the amendment of Memorandum Circular No. 40 by increasing the minimum amount of compulsory passenger insurance coverage from P20,000 to P50,000 per passenger, subject to the same terms and conditions as provided for in said Circular.

This Circular shall take effect fifteen (15) days after its publication in the Official Gazette.

PHILLIP S. TUAZON
Administrator

APPROVED:

RAINERO O. REYES
Secretary of Transportation and Communications

ATTESTED BY:

MANUEL C. DOMINGO
Chairman
Maritime Industry Board

MEMORANDUM CIRCULAR NO. 40-B

TO : ALL PERSONS ENGAGED IN THE BUSINESS OF CARRYING PASSENGERS IN
THE INTERISLAND TRADE AND OTHER CONCERNED

SUBJECT : AMENDMENT OF MEMORANDUM CIRCULAR NO. 40 BY INCREASING THE
AMOUNT OF COMPULSORY PASSENGERS INSURANCE COVERAGE

Please be informed that in its meeting on 30 April 1991, the Board approved The following set of guidelines governing the implementation of a group Insurance Coverages as equivalent with the compulsory insurance requirements under memorandum Circular No. 40. As amended by Memorandum no. 40-A for interisland passenger shipping operation as follows:

1. Group Insurance Coverage is applicable to those motorized boat owner's operators who, through no fault of their own cannot secure as satisfactory passenger insurance individually under memorandum circular No. 40. as amended;
2. To avail of the group Insurance coverage, small banca operation should be organized into an association cooperative and registered with the securities and exchange commission or any relevant government agencies, as the case may be to equip the association with a legal personality for closer supervision/monitoring and consultation with the association;
3. Insurance Covered is still placed at P50,000.00 per passenger capacity of 11 passenger, provided how ever , that motorized bancas with authorized passenger capacity of 11 passengers and below are not covered;
4. Motor bancas qualified for this case should be defined as a wooden or steel hulled vessels with tonnage not more than fifty (50) GRT and carrying and carrying not more than one hundred (100) passenger/vessel;
5. If the vessels are more than 50 GRT and carrying more than one hundred (100) passenger/vessel the normal passenger insurance under memorandum no. 40. As amended , is applicable;
6. The total number of passengers insured by the association will be not less than the allowable number of passenger capacity that can be carried by member of boats at one point in time;
7. Voyages or trips of the member boats of the association should be scheduled in such away that boats leaving a port of origin are carrying only the allowable number of insured capacity. The Maritime Regional Directors in cooperation with the Philippine coast guard will conduct strict monitoring in this regard;
8. Exempted from compulsory passenger insurance are motor bancas carrying eleven (11) person or less;
9. In areas where banca operators are not organized, they shall do so and the Maritime Regional Directors are here by Directed to spear head the formation with their guidance; and,
10. The terms and Conditions of M. C . 40 and 40-A insofar as not in conflict herewith will still apply.

The Terms shall take effect fifteen (15) days after its publication once in a news paper of general circulation in the Philippines .

Manila, Philippines
30 April 1991

BY AUTHORITY OF THE BOARD:
PHILIP S. TUAZON
Administrator

SECRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No. 40-B has been approved in the meeting of the Maritime Industry Board held on 30 April 1991.

PURITA C. CENTENO
Corporate Board Secretary

MEMORANDUM CIRCULAR NO. 149

TO : ALL PERSONS ENGAGED IN THE BUSINESS OF
CARRYING PASSENGERS IN THE INTER-ISLAND
TRADE AND OTHERS CONCERNED

SUBJECT : AMENDMENT OF M. C. 40/40-A RE: INCREASED
COMPULSORY PASSENGER INSURANCE COVERAGE
TO P100,000.00 PER PASSENGER

Please be informed that in its meeting on 03 June 1999, the Board approved the amendment of Memorandum Circular No. 40/40-A by increasing the minimum amount of compulsory passenger insurance coverage from P50,000.00 to P100,000.00 per passenger subject further to the following amendments:

I. General Rule:

No Certificate of Public Convenience (CPC)/Provisional Authority (PA)/Special Permit (SP) shall be issued nor renewed unless and until a satisfactory passenger insurance coverage is submitted to the Maritime Industry Authority (MARINA).

II. Exception:

No exception is allowed except the option of Group Passenger Insurance for motorized boats/banca as per Memorandum Circular No. 40-B.

III. Minimum Amount of Cover/Aggregate Limit of Liability/Insurance Coverage:

Minimum Amount of Cover is P100,000.00 per passenger to cover every person as per total passenger capacity indicated in the Certificate of Inspection.

Aggregate Limit of Liability is the total amount to cover the capacity of the carrying vessel as per its Certificate of Inspection placed at P100,000.00 per passenger.

All passengers carried by a passenger carrying vessel manifested, un-manifested, ticketed, un-ticketed including minors (regardless of age), shall be covered by a passenger insurance.

IV. Schedule of Indemnities:

The following are the updated Schedule of Indemnities applicable to water transport aside from loss of life which is automatically compensable with 100% of the principal sum of the required compulsory passenger insurance.

SCHEDULE OF DISABILITY OR IMPEDIMENT FOR INJURIES SUFFERED AND DISEASES OR ILLNESS CONTRACTED

No.	HEAD Traumatic Head Injuries to	Grade
1.	Aperture unfilled with bone not over three (3) inches without brain injury	9
2.	Aperture unfilled with bone over three (3) inches without brain injury	3
3.	Severe paralysis of both upper or lower extremities or one upper and one lower extremity	1
4.	Moderate paralysis of two (2) extremities producing moderate difficulty with self-care activities	6
5.	Slight paralysis affecting one extremity producing slight difficulty with self-care activities	10
6.	Severe mental disorder or Severe Complex Cerebral function disturbance or post-traumatic psychoneurosis which require regular aid and attendance as to render passenger/crew permanently unable to perform any work	1
7.	Moderate mental disorder or moderate brain functional disturbance which limits passenger/crew to the activities of daily living with some directed care or attendance	6
8.	Slight mental disorder or disturbance that requires little attendance or aid and which interferes to a slight degree with the capacity of the claimant	10
9.	Incurable imbecility	1
No.	FACE	Grade
1.	Severe disfigurement of the face or head as to make the passenger so repulsive as to greatly handicap	2

	him in securing or retaining employment, thereby being no permanent functional disorder	
2.	Moderate facial disfigurement involving partial ablation of the nose with big scars on face or head	5
3.	Partial ablation of the nose or partial avulsion of the scalp	9
4.	Complete loss of the power of mastication and speech function	1
5.	Moderate constriction of the jaw resulting in moderate degree of difficulty in chewing and moderate loss of the power or the expression of speech	6
6.	Slight disorder of mastication and speech function due to traumatic injuries to jaw or cheek bones	12

No.	EYES	Grade
1.	Blindness or total and permanent loss of vision of both eyes	1
2.	Total blindness of one (1) eye and fifty percent (50%) loss of vision of the other eye	5
3.	Loss of one eye or total blindness of one eye	7
4.	Fifty percent (50%) loss of vision of one eye	10
5.	Lagophthalmos, one eye	12
6.	Ectropion, one eye	12
7.	Ephiphora, one eye	12
8.	Prosis, one eye	12

NOTE: (Smeller's Chart-used to grade and distant vision)

No.	NOSE AND MOUTH	Grade
1.	Considerable stricture of the nose (both sides) hindering breathing	11
2.	Loss of the sense of hearing in one ear	11
3.	Injuries to the tongue (partial amputation or adhesion) or palate-causing defective speech	10
4.	Loss of three (3) teeth restored by prosthesis	14

No.	EARS	Grade
1.	For the complete loss of the sense of hearing on both ears	3
2.	Loss of two (2) external ears	8
3.	Complete loss of the sense of hearing in one ear	11
4.	Loss of one external ear	12
5.	Loss of one half (1/2) of an external ear	14

No.	NECK	Grade
1.	Such injury to the throat as necessitates the wearing of a tracheal tube	6
2.	Loss of speech due to injury to the vocal cord	9
3.	Total stiffness of neck due to fracture or dislocation of the cervical spines	8
4.	Moderate stiffness or two thirds (2/3) loss of motion of the neck	10
5.	Slight stiffness of neck or one (1/3) loss of motion	12

No.	CHEST-TRUNK-SPINE	Grade
1.	Fracture of four (4) or more ribs resulting to severe limitation of chest expansion	6
2.	Fracture of four (4) or more ribs with intercostal neuralgia resulting in moderate limitation of chest expansion	9
3.	Slight limitation of chest expansion due to simple rib functional without myositis or intercostal neuralgia	12
4.	Fracture of the dorsal or lumbar spines resulting to severe or total rigidity of the trunk or total loss of lifting power of heavy objects	6
5.	Moderate rigidity or two thirds (2/3) loss of motion or lifting power of the trunk	8
6.	Slight rigidity or one third (1/3) loss of motion or lifting power of the trunk	11
7.	Injury to the spinal cord as to make walking impossible without the aid of a pair of crutches	4
8.	Injury to the spinal cord as to make walking impossible even with the aid of a pair of crutches	1
9.	Injury to the spinal cord resulting to incontinence of urine and feces	1

No.	ABDOMEN	Grade
1.	Loss of the spleen	8
2.	Loss of the kidney	7
3.	Severe residuals of impairment of intra-abdominal organs which requires regular aid and attendance that will unable worker to seek any gainful employment	1
4.	Moderate residuals of disorder of the intra-abdominal organs secondary to trauma resulting to impairment of	

	nutrition, moderate tenderness, nausea, vomiting, constipation or diarrhea	7
5.	Slight residuals or disorder of the intra-abdominal organs resulting in impairment of nutrition, slight tenderness and/or constipation or diarrhea	12
6.	Inguinal hernia secondary to trauma or strain	12

No.	PELVIS	Grade
1.	Fracture of the pelvic rings as to totally incapacitate passenger/crew to work	1
2.	Fracture of the pelvic ring resulting to deformity and lameness	6

No.	URINARY AND GENERATIVE ORGANS	Grade
1.	Total loss of penis	7
2.	Total loss of both testicles	7
3.	Total loss of one testicle	11
4.	Scars on the penis or destruction of the parts of the cavernous body or urethra Interfering with erection or markedly affecting coitus	9
5.	Loss of one breast	11
6.	Prolapse of the uterus	6
7.	Great difficulty in urinating	13
8.	Incontinence of urine	10

No.	THUMBS AND FINGERS	Grade
1.	Total loss of one thumb including metacarpal bone	9
2.	Total loss of one thumb	10
3.	Total loss of one index finger including metacarpal bone	10
4.	Total loss of one index finger	11
5.	Total loss of one middle finger including metacarpal bone	11
6.	Total loss of one middle finger	12
7.	Total loss of one ring finger including metacarpal bone	12
8.	Total loss of one ring finger	13
9.	Total loss of one small finger including metacarpal bone	13
10.	Total loss of one small finger	14
11.	Loss of two (2) or more fingers: Compensation for the loss or loss of use of two (2) or more fingers or one (1) or more phalangers of two or more digits of a hand must be proportioned to the loss of the hand occasioned thereby but shall not exceed the compensation for the loss of a hand <ul style="list-style-type: none"> a. Loss of five (5) fingers of one hand b. Loss of thumb, index fingers and any of 2 or more fingers of the same hand c. Loss of the thumb index fingers and any of 2 or more fingers of the same hand d. Loss of thumb and index finger e. Loss of three (3) fingers of one hand not including thumb and index finger f. Loss of the index finger and any one of the fingers of the same hand excluding thumb g. Loss of two (2) digits of one hand not including thumb and index finger 	6 6 7 8 9 9 10
12.	Loss of ten (10) fingers of both hand	3

No.	HANDS	Grade
1.	Total loss of use of both hands or amputation of both hands at wrist joints of above	1
2.	Amputation of a hand at carpo-metacarpal joints	5
3.	Amputation between wrist and elbow joint	5
4.	Loss of grasping power for small objects between the fold of the finger of one hand	10
5.	Loss of grasping power for large objects between fingers and palm of one hand	10
6.	Loss of opposition between the thumb and tips of the fingers of one hand	9
7.	Ankylosed wrist in normal	10
8.	Ankylosed wrist in position one third (1/3) flexed or half extended and or severe limited action of a wrist	11

No.	SHOULDER AND ARM	Grade
1.	Inability to turn forearm (forearm in normal position-supination)	11
2.	Inability to turn forearm (forearm in abnormal position-pronation)	10
3.	Disturbance of the normal carrying angle or weakness of an arm or a forearm due to deformity of moderate atrophy of muscles	11
4.	Stiff elbow at full flexion of extension (one side)	7
5.	Stiff elbow at right angle flexion	8

6.	Flail elbow joint	9
7.	Pseudoarthrosis of the humerus with musculospiral or radial paralysis	6
8.	Ankylosis of one shoulder the shoulder blade remaining rigid	9
9.	Ankylosis of one shoulder the shoulder blade remaining rigid	8
10.	Unreduced dislocation of one (1) shoulder	8
11.	Ruptured biceps or pseudoarthrosis of the humerus, close (one side)	11
12.	Inability to raise arm more than halfway from horizontal to perpendicular	11
13.	Ankylosis of the shoulder joint not permitting arm to be raised above a level with a shoulder and/or irreducible fracture or faulty union collar bone	10
14.	Total paralysis of both upper extremities	1
15.	Total paralysis of one upper extremity	3
16.	Amputation of one (1) upper extremity at or above the elbow	4
17.	Scar the size of the palm in one extremity	14

No.	LOWER EXTREMITIES	Grade
1.	Loss of a big toe	12
2.	Loss of a toe other than the big one	14
3.	Loss of ten (10) digits of both feet	5
4.	Loss of a great toe of one foot – one toe	10
5.	Loss of two (2) toes not including great toe or toe next to it	12
6.	Loss of three (3) toes excluding great toe of a foot	10
7.	Loss of four (4) excluding great toe of a foot	9
8.	Loss of great toe and two (2) other toes of the same foot	9
9.	Loss of five digits of a foot	8
10.	Loss of both feet at ankle joint or above	1
11.	Loss of one foot at ankle joint or above	6
12.	Depression of the arch of a foot resulting in weak foot	12
13.	Loss of one half (1/2) metatarsus or forepart of foot	8
14.	Loss of whole metatarsus or forepart of foot	7
15.	Tearing of achilles tendon resulting in the impairment of active flexion and extension of a foot	12
16.	Malleolar fracture with displacement of the foot inward or upward	10
17.	Complete immobility of an ankle joint in abnormal position	10
18.	Complete immobility of an ankle joint in normal position	11
19.	Total of loss of a leg or amputation at or above the knee	3
20.	Stretching of leg of the ligaments of a knee resulting in instability of joint	10
21.	Ankylosis of a knee in genuvalgum of varum	10
22.	Pseudoarthrosis of a knee cap	10
23.	Complete immobility if a knee joint in full extension	10
24.	Complete immobility if a knee joint in strong flexion	7
25.	Complete immobility of a hip joint in flexion of the thigh	5
26.	Complete immobility if a hip joint in full extension of the thigh	9
27.	Slight atrophy of calf or leg muscles with apparent shortening or joint lesion or disturbance weight-bearing line	13
28.	Shortening of a lower extremity from one to three centimeters with either joint lesion or disturbance of weight-bearing joint	13
29.	Shortening of 3 to 6 cm. with slight atrophy of calf or thigh muscles	12
30.	Shortening of 3 to 6 cm. with either joint lesion or disturbance of weight-bearing joint	11
31.	Irregular union fracture with joint stiffness and with shortening of 6 to 9 cm. producing permanent lameness	9
32.	Irregular union of fracture in a thigh or leg with shortening of 6 to 9 cms.	10
33.	Failure of fracture of hips to unite	1
34.	Failure of fracture of a hip to unite	3
35.	Paralysis of both lower extremities	1
36.	Paralysis of one lower extremity	3
37.	Scar the size of a palm or larger left on an extremity	14

Note: Any item in the schedule classified under Grade 1 shall constitute total and permanent disability

SCHEDULE OF DISABILITY ALLOWANCES

Impediment Grade	Maximum Rate
1	100.00%
2	88.00%
3	78.36%
4	68.66%
5	58.96%
6	50.00%
7	41.80%
8	33.59%
9	26.12%
10	20.15%
11	14.93%
12	10.45%
13	6.72%
14	3.74%

V. TRANSITORY PROVISION:

All existing/valid passenger insurance coverage shall be updated to effect the augmentation of the passenger insurance coverage from P50,000.00 to P100,000.00 per passenger within the period specified below:

- a. High Speed Crafts and passenger carrying-vessels 500 Gross Tons and above - Immediately upon the effectivity of this circular;
- b. Passenger-Carrying Vessels below 500 Gross Tons – Three (3) months from the effectivity of this circular;
- c. Vessels and Motorboat/banca below 35 Gross Tons – Starting January 1, 2000.

Vessels coming into the system from the effectivity of this Circular, regardless of size and type of operation, shall comply with the submission of the compulsory passenger insurance coverage of P100,000.00 per passenger.

VI. REPEALING CLAUSE:

Any provision of the Philippine Merchant Marine Rules and Regulations (PMMRR) 1997 and inconsistent provisions of MARINA Memorandum Circular No. 40 and 40-A are hereby repealed or modified accordingly.

VII. EFFECTIVITY:

This Memorandum Circular shall be published once in a newspaper of general circulation and shall take effect fifteen (15) days after publication.

Manila, Philippines, 03 June 1999.

BY AUTHORITY OF THE BOARD:

AGUSTIN R. BENGZON
Administrator

ANNEX 3A – DENR Administrative Order 2005-06



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
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929-66-20 • 929-66-33 to 35
929-70-41 to 43

ADMINISTRATIVE ORDER NO. 2005 - 06

APR 06 2005

**SUBJECT: GUIDELINES FOR THE INSTITUTION OF A
SYSTEM OF MANDATORY ENVIRONMENTAL
INSURANCE COVERAGE.**

Section 1. Statement of Policy.

Based on years of experience, it has been observed that existing mechanisms devised to ensure a project proponent's environmental accountability fall short of providing an administrative regime that guarantees full environmental responsibility which translates to adequate and timely environmental rehabilitation, clean-up, remediation and protection for the affected communities, areas and stakeholders.

To remedy this situation, Mandatory Environmental Insurance Coverage (MEIC) shall be hereby required for all ongoing activities/projects and applications for an Environmental Compliance Certificate (ECC) and/or Certificate of Non-coverage (CNC).

Section 2. Scope and Coverage.

The MEIC shall encompass payment of damages to health and property, environmental rehabilitation, remediation and/or clean-up costs and expenses, and provide a facility for the alleviation and recompense for any kind of environmental impairment or damage by reason of the project.

Liability shall be premised on any intentional or accidental release of pollutants and/or contaminants and environmental impairment by reason of a project proponent's failure to observe environmental laws/standards or comply with the terms and conditions specified in environmental management plans or work programs, and other similar instruments which detail a project proponent's obligations towards the environment executed as part of the project's application and/or implementation.

To give due emphasis to the totality and institutionality of the MEIC, it shall be required of all existing and future projects/activities deemed under law



1 of 5

as environmentally critical/located in environmentally critical areas which consequently require an ECC, as well as projects/activities operating under a CNC.

Section 3. *Forms of Coverage.* The MEIC shall require project proponents to obtain insurance coverage of the following forms, based on their classification and the provisions of this Order:

1. **Environmental Performance Bond (EPB)** - shall be required for all ongoing activities/projects and applications for ECCs/CNCs as a requisite in order to guarantee adequate and timely compliance with the environmental standards and the terms and conditions set forth by the DENR during the pre-development, development and/or construction phases of the project. The EPB shall answer for all environmental damages, penalties and legal obligations which may arise from the failure of the project proponent to comply with its undertakings during the afore-mentioned phases; and
2. **Environmental Pollution, Impairment and Clean-Up Liability Insurance (EPICLI)** - shall be required of all existing and future projects/activities to cover operational phases, including those that have been issued ECCs/CNCs. For this purpose, the submission of appropriate EPICLI Policy Contract shall be an additional condition/requirement in all existing ECCs/CNCs. The EPICLI shall answer for all claims arising from damages to the environment, bodily injury, property damage arising from a pollution event including environmental rehabilitation, clean up and/or remediation costs and expenses for contamination and/or impairment of the environment, inclusive of all violations of environmental laws and standards.

Section 4. *The Beneficiaries.*

The beneficiaries of the MEIC shall include affected communities, stakeholders and LGUs within the project's primary impact areas as determined through preliminary scoping process and environmental impact assessment. The environs within the primary impact areas shall be included in the scope and coverage of the EPICLI. The MEIC shall also include as beneficiary such pertinent government departments, bureaus and agencies which are tasked under law for the rehabilitation, clean-up and monitoring of such aspects of the projects affected by the pollution event but for which no responsible private or public entity, such as the project proponent, is specified.



The beneficiaries shall be represented by the government, particularly the Department of Environment and Natural Resources (DENR).

As the spearheading agency, the DENR/EMB shall identify affected areas and prescribe rehabilitation/remediation measures when necessary. It may solicit or procure appropriate expertise in determining the guidelines for the assessment of damages, identification of beneficiaries and proper implementation of rehabilitation, clean-up and/or remediation measures or programs, chargeable against the claims to be paid by the Insurance Company/ies concerned.

For this purpose, it shall involve the concerned local government units (LGUs) and appropriate sectors of the civil society for consultations leading to a multi-sectoral approach.

Section 5. Payment of Claims.

The Insurance Company/ies shall place all payments of claims into specially created escrow accounts in government depository bank(s) which shall in turn disburse and/or release corresponding payments to beneficiaries only upon the advice of the DENR/EMB after proper documentation.

To assure that claims are verified and rightful parties are compensated and the environment is properly rehabilitated, cleaned-up, remediated, stabilized and protected, unbiased and transparent mechanisms to validate claims and respond to issues raised by the project proponents or the claimants/beneficiaries shall be established. For this purpose and whenever necessary, the DENR/EMB may create multi-sectoral bodies composed of representatives from the business, labor, government, civil society and other stakeholders.

In no case shall the DENR/ EMB receive and handle payments of claims for environmental damages, penalties and charges, except for the claim component which properly accrues to it as an insurance beneficiary.

For purposes of rehabilitation, and whenever applicable, the appropriate government agency tasked for the purpose shall undertake the same with funds coming from the insurance claim upon recommendation of the EMB or multi-sectoral bodies and approved by the DENR Secretary.

Section 6. Implementation.

Only duly accredited insurance companies shall be allowed to insure any project proponent covered by this Order. Accreditation of participating Insurance Company/ies shall be conferred by the DENR Secretary.



Within one (1) month from the effectivity of this Order, the DENR/EMB, in consultation with local or international insurance companies, shall come up with appropriate guidelines for accurate identification and specification of the different levels of risks and risks potentials which shall serve as basis for computing the level of coverage needed for a project/activity either under the EPB or EPICLI.

All EMB Regional Directors (RDs) shall require all existing projects/activities within their respective regional jurisdictions to submit EPICLI Policy Contracts from accredited insurance companies as proof of compliance within six (6) months from effectivity of this Order. All Policy Contracts shall be reviewed to ensure compliance with the guidelines established by the DENR/EMB. It shall be the responsibility of the RD's to ensure that projects/activities are continuously and effectively covered by the EPICLI.

Project proponents that have availed of the EPICLI shall be entitled to have their MEIC substituted in place of the Environmental Guarantee Funds (EGF) of their projects/activities. Provided, however, that any pending claim which may be satisfied from either of the EGF or EPICLI shall be taken from the latter.

Multi-partite monitoring teams, NGOs, POs and LGUs may assist the DENR and the concerned insurance companies in monitoring the projects/activities covered by the EPICLI.

Section 7. Dissemination.

The RD's shall conduct seminars, conferences and briefings to communicate the policy and mechanics of this Order to all concerned.

Section 8. Penalties and Sanctions.

Non-compliance of the requirements stated in this Order shall authorize the DENR to automatically revoke or cancel the ECC/CNC issued. Non-compliance shall likewise be a ground for the immediate disapproval of the application submitted by the project proponent.

Insurance companies which issue a Policy Contract to any project proponent pursuant to this Order which fail to adhere with the guidelines drafted for their governance shall be immediately disaccredited and shall



ANNEX 3B – DENR Memorandum Order 01 s. 2006

FEB 21 2006

MEMORANDUM ORDER
No. 01, Series of 2006

**SUBJECT: SUSPENSION OF THE IMPLEMENTATION OF THE SYSTEM
OF MANDATORY ENVIRONMENTAL INSURANCE COVERAGE
(MEIC) REQUIREMENTS OF DAO 2005-06**

In light of the need to conduct more consultations with key stakeholders and perform capability building measures in the institutions concerned, the implementation of Department Administrative Order 2005-06 dated 6 April 2005 or the Guidelines for the Institution of a System of Mandatory Environmental Insurance Coverage is hereby suspended indefinitely.

All prior orders and instructions inconsistent herewith are hereby superseded or amended accordingly.

This order shall take effect immediately.


ANGELO T. REYES
Secretary

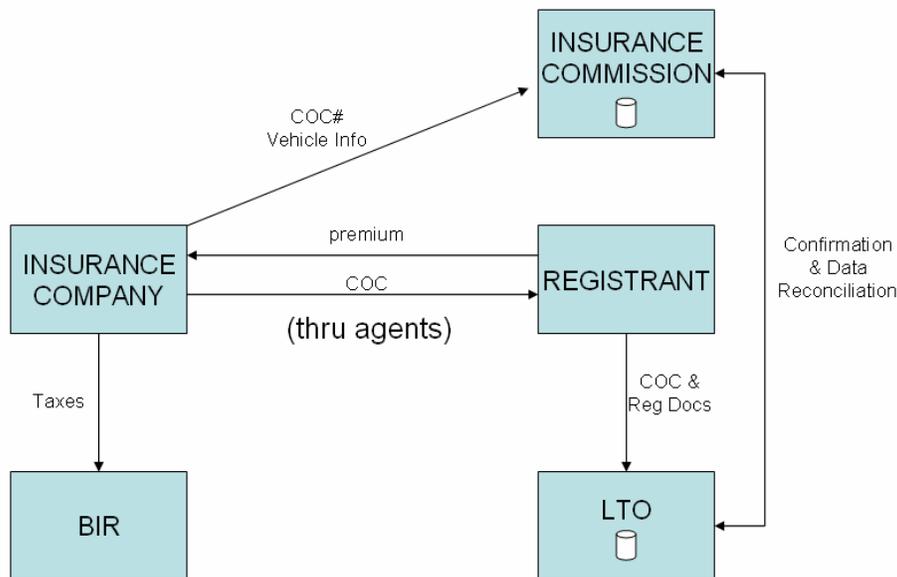


ANNEX 4. AIM Group’s Proposed Process – Long Term Solution

Consultations with Assistant Secretary Lontoc of the LTO and Commissioner Escobillo of the IC yielded the following directions with respect to process improvement for the CTPL requirement:

- The LTO only deals with IC and no other private entities, when it comes to authenticating CTPL insurance information; in effect, the IC assumes its regulatory role.
- Electronic linkage and regular data reconciliation between the two agencies should be installed.

The long-term recommendation includes an electronic link between the LTO and the IC. Insurance information, upon purchase, ends up in a database maintained by the IC. Registration proceeds, if a valid insurance record exists in that database; the vehicle record in the LTO database is either tagged when the IC connects to it, or the LTO connects to the IC-CID to check if a valid insurance record exists. Regular data reconciliation between the two databases is carried out to cover exceptions. The following figure summarizes this setup.



In the proposed process, when the registrant acquires CTPL coverage from an insurance company, broker, or agent, the premium payment may be coursed through banks or payment centers, but the data should ultimately be transmitted to the IC-CID. An online link between LTO and the IC-CID then provides for real-time processing.

By the time the vehicle owner registers, the vehicle should be tagged as insured and registration will be allowed to proceed. During situations when connections fail, registrations of untagged vehicles may be permitted, but supported by data reconciliation processes between the IC and the LTO. Reconciliation should be carried out regularly, and corrective action should be taken when discrepancies are detected.

The above proposal assumes a level of preparedness from the different agencies, particularly for the IC, where a database of insurance information should be set up (replacing COCAS in the current system). The IC needs to build such a database to affirm its regulatory role in the issuance of CTPL insurance.

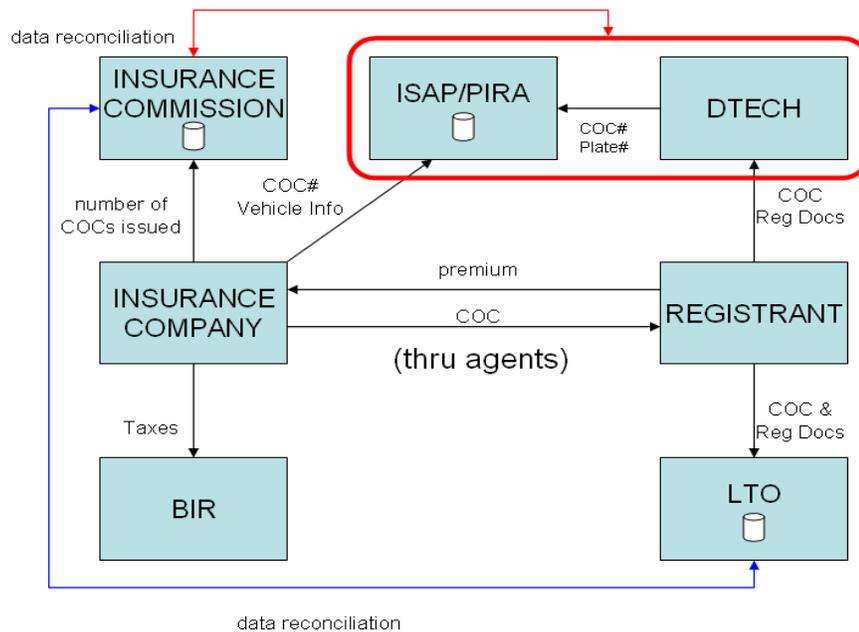
ANNEX 5. AIM Group’s Proposed Short Term Interventions

The following are some constraints that prevent the agencies from immediately implementing the proposal described above.

- There are legal restrictions in connection with the current contract with DTECH Management, Inc.
- The IC needs to first set up its insurance database and strengthen its IT capability.
- There will be significant preparations required from LTO/STRADCOM and possibly other entities (e.g., banks, if the IC decides to require payments to be coursed through banks).
- There are competing proposals with respect to CTPL processing, involving other agencies and departments, with varying degrees of influence.

However, a data reconciliation process could be set up in the short-term, on top of the current process, in order to address some of the existing transaction risks. The data reconciliation will be between the COCAS and LTO databases. In particular, the following information, stored by both databases, can be reconciled, on a monthly and annual basis: license plate number and chassis number of the vehicle and its corresponding insurance details, COC# and the name of the insurance firm.

The figure below summarizes this short-term setup.



The reconciliation process will be an arrangement between the IC and the LTO. The LTO, through STRADCOM, can produce the indicated data. The IC, on the other hand, can require that COCAS data be turned over by PIRA to the IC. The reconciliation process will achieve multiple objectives:

1. Measure the extent of effectiveness or ineffectiveness of the current CTPL authentication system. Vehicles present in the LTO database but not present in the COCAS database, for instance, represent the number of possible transactions that have bypassed the CTPL authentication and verification process.

2. The IC can further reconcile the data from COCAS and from LTO with the data from DTECH and declarations made by the insurance firms to the IC and the BIR.
3. The activity prepares the agencies for an inevitable activity in the future, regardless of what proposal pushes through. There will be corrective actions formulated resulting from discrepancies detected from the reconciliation process; such actions will, in turn, aid in minimizing the transaction risks.

The following Implementing Guidelines for a Data Reconciliation Process between the Land Transportation Office and the Insurance Commission were suggested by the AIM Study:

The LTO shall:

1. Provide the following data to the IC on a monthly basis, for each registration transaction completed on the given month:
 - vehicle license plate number
 - vehicle chassis number
 - COC#
 - name of insurance firm
2. Receive from the IC a list of records with spurious insurance data determined by matching such data with the corresponding records from the IC.
3. Formulate with the IC, a process of corrective or preventive actions, resulting from the spurious insurance data detected. These actions may include:
 - preventing registrations with insurance information coming from erring insurance companies
 - informing district offices of the occurrence of these spurious records and compelling these offices to reduce their occurrence

The IC shall:

1. Build a database of properly insured vehicles, by obtaining data from the COCAS database. The following information will be stored in the IC-CID:
 - vehicle license plate number
 - vehicle chassis number
 - COC#
 - name of insurance firm
2. Receive registration data from the LTO on a monthly basis, for each registration transaction completed on the given month.
3. Reconcile the registration data with its database and produce an exception list of records with spurious insurance data.
4. Provide the LTO with a list of records with spurious insurance data and a list of insurance firm names to be invalidated.
5. Formulate with the LTO, a process of corrective or preventive actions, resulting from the spurious insurance data detected.

ANNEX 6 - Chapter VI - The Insurance Code Of The Philippines

Sec. 373. For purposes of this chapter:

- (a) "*Motor Vehicle*" is any vehicle as defined in section three, paragraph (a) of Republic Act Numbered Four Thousand One Hundred Thirty-Six, Otherwise known as the "*Land Transportation and Traffic Code*."
- (b) "*Passenger*" is any fare paying person being transported and conveyed in and by a motor vehicle for transportation of passengers for compensation, including persons expressly authorized by law or by the vehicle's operator or his agents to ride without fare.
- (c) "*Third-Party*" is any person other than a passenger as defined in this section and shall also exclude 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 land transportation operator, as likewise defined herein, or his employee in respect of death, bodily injury, or damage to property arising out of and in the course of employment. (As amended by Presidential Decree No. 1814 and 1981).
- (d) "*Owner*" or "*motor vehicle owner*" means the actual legal owner of a motor vehicle, in whose name such vehicle is duly registered with the Land Transportation Commission;
- (e) "*Land transportation operator*" means the owner or owners of motor vehicles for transportation of passengers for compensation, including school buses;
- (f) "*Insurance policy*" or "*Policy*" refers to a contract of insurance against passenger and thirty-party liability for death or bodily injuries and damaged to property arising from motor vehicle accidents. (As amended by Presidential Decree No. 1455 and 1814).

Sec. 374. It shall be unlawful for any land transportation operator or owner of a motor vehicle to operate the same in the public highways unless there is in force in relation thereto a policy of insurance or guaranty in cash or surety bond issued in accordance with the provisions of this chapter 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. (As amended by Presidential Decree No. 1455 and 1814).

Sec. 375. The Commissioner shall furnish the Land Transportation Commissioner with a list of insurance companies authorized to issue the policy of insurance or surety bond required by this chapter. (As amended by Presidential Decree No. 1814).

Sec. 376. The Land Transportation Commission shall not allow the registration or renewal of registration of any motor vehicle without first requiring from the land transportation operator or motor vehicle owner concerned the presentation and filing of a substantiating documentation in a form approved by the Commissioner evidencing that the policy of insurance or guaranty in cash or surety bond required by this chapter is in effect. (As amended by Presidential Decree No. 1455).

Sec. 377. Every land transportation operator and every owner of a motor vehicle shall, before applying for the registration or renewal of registration of any motor vehicle, at his option, either secure an insurance policy or surety bond issued by any insurance company authorized by the Commissioner or make a cash deposit in such amount as herein required as limit of liability for purposes specified in section three hundred seventy-four.

(1) In the case of a land transportation operator, the insurance guaranty in cash or surety bond shall cover liability for death or bodily injuries of third-parties and/or passengers arising out of the use of such vehicle in the amount not less than twelve thousand pesos per passenger or third party and an amount, for each of such categories, in any one accident of not less than that set forth in the following scale:

- (a) Motor vehicles with an authorized capacity of twenty-six or more passengers: Fifty thousand pesos;
- (b) Motor vehicles with an authorized capacity of from twelve to twenty-five passengers: Forty thousand pesos;
- (c) Motor vehicles with an authorized capacity of from six to eleven passengers: Thirty thousand pesos;
- (d) Motor vehicles with an authorized capacity of five or less passengers: Five thousand pesos multiplied by the authorized capacity.

Provided, however, That such cash deposit made to, or surety bond posted with, the Commissioner shall be resorted to by him in cases of accidents the indemnities for which to third-parties and/or passengers are not settled accordingly by the land transportation operator and, in that event, the said cash deposit shall be replenished or such surety bond shall be restored with sixty days after impairment or expiry, as the case may be, by such land transportation operator, otherwise, he shall secure the insurance policy required by this chapter. The aforesaid cash deposit may be invested by the Commissioner in readily marketable government bonds and/or securities.

(2) In the case of an owner of a motor vehicle, the insurance or guaranty in cash or surety bond shall cover liability for death or injury to third parties in an amount not less than that set forth in the following scale in any one accident:

I. Private Cars

- a) Bantam : Twenty thousand pesos;
- (b) Light : Twenty thousand pesos;
- (c) Heavy : Thirty thousand pesos;

II. Other Private Vehicles

- (a) Tricycles, motorcycles, and scooters : Twelve thousand pesos;
- (b) Vehicles with an unladen weight of 2,600 kilos or less : Twenty thousand pesos;
- (c) Vehicles with an unladen weight of between 2,601 kilos and 3,930 kilos : Thirty thousand pesos;
- (d) Vehicles with an unladen weight over 3,930 kilos : Fifty thousand pesos.

The Commissioner may, if warranted, set forth schedule of indemnities for the payment of claims for death or bodily injuries with the coverages set forth herein. (As amended by Presidential Decree No. 1455 and 1814).

Sec. 378. Any claim for death or 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 person shall not exceed five thousand pesos;
- (ii) The following proofs of loss, when submitted under oath, shall be sufficient evidence to substantiate the claim:

- (a) Police report of accident; and
- (b) Death certificate and evidence sufficient to establish the proper payee; or
- (c) Medical report and evidence of medical or hospital disbursement in respect of which refund is claimed;

(iii) Claim may be made against one motor vehicle only. In the case of an occupant of a vehicle, claim shall lie against the insurer of the vehicle in which the occupant is riding, mounting or dismounting from. In any other case, claim shall lie against the insurer of the directly offending vehicle. In all cases, the right of the party paying the claim to recover against the owner of the vehicle responsible for the accident shall be maintained.

Sec. 379. No land transportation operator or owner of motor vehicle shall be unreasonably denied the policy of insurance or surety bond required by this chapter by the insurance companies authorized to issue the same, otherwise, the Land Transportation Commission shall require from said land transportation operator or owner of the vehicle, in lieu of a policy of insurance or surety bond, a certificate that a cash deposit has been made with the Commissioner in such amount required as limits of indemnity in section three hundred seventy-seven to answer for the passenger and/or third-party liability of such land transportation operator or owner of the vehicle.

No insurance company may issue the policy of insurance or surety bond required under this chapter unless so authorized under existing laws.

The authority to engage in the casualty and/or surety lines of business of an insurance company that refuses to issue or renew, without just cause, the insurance policy or surety bond therein required shall be withdrawn immediately. (As amended by Presidential Decree No. 1455 and 1814).

Sec. 380. No cancellation of the policy shall be valid unless written notice thereof is given to the land transportation operator or owner of the vehicle and to the Land Transportation Commission at least fifteen days prior to the intended effective date thereof.

Upon receipt of such notice, the Land Transportation Commission, unless it receives evidence of a new valid insurance or guaranty in cash or surety bond as prescribed in this chapter, or an endorsement of revival of the cancelled one, shall order the immediate confiscation of the plates of the motor vehicle covered by such cancelled policy. The same may be re-issued only upon presentation of a new insurance policy or that a guaranty in cash or surety band has been made or posted with the Commissioner and which meets the requirements of this chapter, or an endorsement or revival of the cancelled one. (As amended by Presidential Decree No. 1455).

Sec. 381. If the cancellation of the policy or surety bond is contemplated by the land transportation operator or owner of the vehicle, he shall, before the policy or surety bond ceases to be effective, secure a similar policy of insurance or surety bond to replace the policy or surety bond to be cancelled or make a cash deposit in sufficient amount with the Commissioner and without any gap, file the required documentation with the Land Transportation

Commission, and notify the insurance company concerned of the cancellation of its policy or surety bond. (As amended by Presidential Decree No. 1455).

Sec. 382. In case of change of ownership of a motor vehicle, or change of the engine of an insured vehicle, there shall be no need of issuing a new policy until the next date of registration or renewal of registration of such vehicle, and provided that the insurance company shall agree to continue the policy, such change of ownership or such change of the engine shall be indicated in a corresponding endorsement by the insurance company concerned, and a signed duplicate of such endorsement shall, within a reasonable time, be filed with the Land Transportation Commission.

Sec. 383. In the settlement and payment of claims, the indemnity shall not be availed of by any accident victim or claimant as an instrument of enrichment by reason of an accident, but as an assistance or restitution insofar as can fairly be ascertained.

Sec. 384. Any person having any claim upon the policy issued pursuant to this Chapter shall, without any unnecessary delay, present to the insurance company concerned a written notice of claim setting forth the nature, extent and duration of the injuries sustained as certified by a duly licensed physician. Notice of claim must be filed within six months from date of accident, otherwise, the claim shall be deemed waived. Action or suit for recovery of damage due to loss or injury must be brought, in proper cases, with the Commissioner or the Courts within one year from denial of the claim, otherwise, the claimant's right of action shall prescribe. (As amended by Presidential Decree 1814 and Batas Pambansa Blg. 874).

Sec. 385. The insurance company concerned shall forthwith ascertain the truth and extent of the claim and make payment within five working days after reaching an agreement. If no agreement is reached, the insurance company shall pay only the "no-fault" indemnity provided in section three hundred seventy-eight without prejudice to the claimant from pursuing his claim further, in which case, he shall not be required or compelled by the insurance company to execute any quit claim or document releasing it from liability under the policy of insurance or surety bond issued. (As amended by Presidential Decree No. 1455).

In case of any dispute in the enforcement of the provisions of any policy issued pursuant to this chapter, the adjudication of such dispute shall be within the original and exclusive jurisdiction of the Commissioner, subject to the limitations provided in section four hundred sixteen.

Sec. 386. It shall be unlawful for a land transportation operator or owner of motor vehicle to require his or its drivers or other employees to contribute in the payment of premiums.

Sec. 387. No government office or agency having the duty of implementing the provisions of this chapter nor any official or employee thereof shall act as agent in procuring the insurance policy or surety bond provided for herein. The commission of an agent procuring the said policy or bond shall in no case exceed ten per centum of the amount of the premiums therefore.

Sec. 388. Any land transportation operator or owner of motor vehicle or any other person violating any of the provisions of the preceding sections shall be punished by a fine of not less than five hundred pesos but not more than one thousand pesos and/or imprisonment for not more than six months. The violation of section three hundred seventy-seven by a land transportation operator shall be a sufficient cause for the revocation of the certificate of public convenience issued by the Board of Transportation covering the vehicle concerned.

Sec. 389. Whenever any violation of the provisions of this chapter is committed by a corporation or association, or by a government office or entity, the executive officer or officers of said corporation, association or government office or entity who shall have knowingly permitted, or failed to prevent, said violation shall be held liable as principals.