

CLAIMS HANDLING AND MANAGEMENT – MOTOR CAR

1. GENERAL CONDITIONS

1. Policy should be in-force and valid at the time of the accident.
2. Documentary requirements should be complete, verified, examined and validated
3. The repair cost of the damaged insured/third party vehicle should be subjected to at least three (3) repair shops to determine the reasonable cost of repairs.
4. Claims Department or in-house adjuster should re-evaluate the repair estimates using whichever is lower costing method on parts and labor.
5. After arriving at the lowest reasonable cost of repair, the corresponding Letter of Authority (LOA) shall be issued, subject to the following guidelines:

<u>Amount</u>	<u>Authorized Signatory/Approving Officer</u>
a. P 50, 000.00 and below	Claims Manager
b. P 50,000.00 to P 100,000.00	Executive Assistant to the President
c. Exceeding P 100,000.00	Senior Vice President/General manager or President

6. A Letter of Authority shall also be issued in cases of additional parts (hidden defects) subject also to the foregoing guidelines
7. Recovery of replaced parts from dealers or accredited motor shop shall be done within thirty (30) days after completion of repairs to be stored in the bodega at E. Rodriguez, Quezon City. A checklist shall be prepared, received and signed by the guard on duty.
8. Disposal/sale of recovered replaced parts shall be with prior approval of Head Office.
9. Claims investigations/adjustment may be assigned to independent adjusters on the following cases:
 - a. Theft/Carnapped Vehicles
 - b. Own Damage Claims in far distant places
 - c. CTPL Claims involving multiple victims/claimants

10. CLAIMS APPROVING AUTHORITY

<u>Amounts Limits</u>	<u>Authorized Signatory/Approving Officer</u>
P 30,000.000 and below	Claims Manager
P 30,000.000 to P 50,000.00	Executive Assistant to the President

Exceeding P 50,000.00

SVP/GM or the President

II. PROCEDURES NON CLAIMS HANDLING

A. WHAT TO DO IN CASE OF VEHICULAR ACCIDENTS

1. Report the accident to the nearest police station for assistance.
2. Take down the description, name and address of the registered owner of the vehicle; name of the driver, witnesses and their addresses.
3. Get the name of the adverse insurer and policy number.
4. Never leave your vehicle unattended especially in remote places without proper precautions to prevent further damage or theft.
5. Report the accident immediately to your insurer.

B. WHAT TO DO IN CASE OF THEFT OF VEHICLE

1. Report immediately the carnapping/theft incident to :
The nearest police station for assistance and preparation of police report.
2. The Anti-Carnapping Task Force (ACTFORCE) Tel. No. 7570 (HOTLINE) for assistance and secure an Alarm Sheet.
3. Your insurer.

C. PROCEDURES IN FILING CLAIMS

1. Notice of Claim

Claims must be reported immediately to the insurer together with the required documents and must be submitted:

- a. Fifteen (15) days within Metro Manila cases
- b. Thirty (30) days outside Metro Manila

After receiving the claims report from the Assured or his representative, the general agent shall fill-up the Notice of Claim form and submit the same together with the required documents without delay.

2. Documentary Requirements:

A. BODILY INJURY CLAIMS

1. Original police report and/or Affidavit of Assured's driver
2. Photocopy of Certificate of Registration & O.R

3. Photocopy of Driver's License & O.R
4. Photocopy of Policy & O.R
5. Stencil of Motor & Serial Number.
6. Original copies of Medical Certificate, hospital bills and medical receipts.
7. Special Power of Attorney (SPA) duly notarized if claimant is represented by an Attorney-in-fact.
8. Community Tax Certificate (CEDULA) of Claimant or his/her Attorney-in-fact.

If payment has been advanced by the General Agent:

9. Release of Claim duly signed by the claimant or his/her Attorney-in-fact.
10. Affidavit of Desistance duly signed by the claimant
11. Agency Cash Voucher duly signed by the claimant or his/her Attorney-in-fact.

B. DEATH CLAIMS

1. Original Police Report and/or Affidavit of Assured's driver.
2. Certified true copy of Death Certificate and Certification of Post Mortem examination.
3. Certified true copy of Birth Certificate of Deceased, if claimant is an ascendant.
4. Marriage Contract of victim and claimant, if the latter is a surviving spouse.
5. Certified true copy of Birth Certificate of claimant, if the latter is a descendant.
In the absence of the birth certificate, a certified true copy of the baptismal certificate or affidavits of two (2) disinterested parties, together with a certification from the Civil Registrar's Office that civil record of birth are not available.
6. Funeral & Burial Expense receipts.
7. Special Power of Attorney (SPA) duly notarized, if claimant is represented by an attorney-in-fact.
8. Community Tax Certificate (CEDULA) of Claimant or his/her Attorney-in-fact.

If payment has been advanced by the General Agent:

9. Release of Claim duly signed by the claimant or his/her Attorney-in-fact.
10. Affidavit of Desistance duly signed by the claimant.
11. Agency voucher duly signed by the claimant or his/her Attorney-in-fact.

C. OWN DAMAGE CLAIMS

1. Original Police Report and /or Affidavit of Assured's driver.

2. Photocopy of Certificate of Registration & O.R.
3. Photocopy of Driver's License & O.R.
4. Photocopy of Policy & O.R.
5. Stencil of Motor & Serial Number.
6. Photographs/Pictures of the Damage vehicle showing the damaged portion and the vehicle's plate number (colored pictures)
7. Repair estimate/s of at least three (3) accredited motor repair shops (Original Copy) for both Metro Manila and Provincial cases.
8. Repair Invoice and O.R. (after the completion of repair).
9. Special Power of Attorney (SPA) duly notarized, of our assured is represented by an Attorney-in-fact.
10. Community Tax Certificate (CEDULA) of our assured or his/her Attorney-in-fact.

If payment has been advanced by the General Agent:

11. Release of Claim and Subrogation Receipt duly signed by our assured or his/her Attorney-in-fact.
12. Agency cash voucher duly signed by our assured or his/her Attorney-in-fact.

D. THIRD PARTY PROPERTY DAMAGE CLAIMS

1. ORIGINAL Police Report and/or Affidavit of Assured's driver.
2. Photocopy of Policy & O.R.
3. Stencil of Motor & Serial Number (Insured and adverse (TP) vehicle).
4. Photocopy of Registration Certificate & O.R. (Insured and adverse (TP) vehicle).
5. Photocopy of Driver's License & O.R (Insured and adverse (TP) vehicle).
6. Repair Estimates/Repair Invoice (Third Party)
7. Certification from Insurer of Third Party that Third Party claimant has no coverage for own damage or that he has not filed a claim for own damage.
8. Photographs (colored) of the damage vehicle (Third Party) including insured's vehicle.
9. Repair Invoice and O.R. (after the completion of the repair).
10. Special Power of Attorney (SPA) duly notarized, if claimant is represented by an Attorney-in-fact.
11. Community Tax Certificate (CEDULA) of Claimant or his/her Attorney-in-fact.

If payment has been advanced by the General Agent:

12. Release of Claim duly signed by the claimant or his/her Attorney-in-fact.
13. Affidavit of Desistance duly signed by the claimant.

14. Agency cash voucher duly signed by the claimant or his/her Attorney-in-fact.

- E. TOTAL LOSS, THEFT/CARNAP and MULTIPLE DEATH AND/OR BODILY INJURY cases must be reported immediately to Head Office for investigation or assignment to an Independent Adjuster, if circumstances warrant.

3. EVALUATION OF CLAIMS

Upon receipt of the documentary requirements, Head Office shall:

1. Check the completeness and validity of the documents
2. Determine the compensability of the claim
3. For OWN DAMAGE & LOSS OF ACCESSORIES

3.1 Compare the estimates submitted and evaluate the loss/damage sustained of the insured vehicle.

3.2 Charge/apply the applicable depreciation rates as follows:

SCHEDULE OF DEPRECIATION RATES (SHARE OF THE INSURED)

AGE OF VEHICLE	RATE OF DEPRECIATION		
	PC	CV	MC
Up to 3 years	nil	nil	nil
Over 3 years to 4 years	20%	25%	25%
Over 4 years to 5 years	25%	30%	30%
Over 5 years to 6 years	30%	35%	35%
Over 6 years to 7 years	35%	40%	40%
Over 7 years0	40%	45%	45%

	LTO
First 6 months	15%
Over 6 months to 1 year	25%
Over 1 year to 2 years	35%
Over 2 years to 3 years	45%
More than 3 years	Discretionary

FOR REBUILT & RECONDITIONED COMMERCIAL VEHICLES & MOTOCYCLES	45%
BATTERIES, TIRES, BALL JOINTS, TIE RODS & SHOCK ABSORBERS (for Vehicles over 3 years old) :	

PC	45%
CV	50%
LTO	nil
MC	50%

4. Payment of Depreciation and Deductible

- A. Repairs of insured unit- If the motor shop repair shop which submitted the lowest reasonable estimate is acceptable to the insured, Head Office shall issue a Letter of Authority for the repairs. The share of the Insured on the depreciation and policy deductible shall be paid by the insured directly to the motor shop.
- B. Cash Settlement-Head Office has the option to pay the insured the cash value of the claim based on the evaluated amount subject to Insured's submission of repair invoice/official receipt of repair and/or surrender of replaced and cash settle labour charges.

C. TOTAL LOSS CLAIMS

If the repair cost amounts to at least 75% of the insured, the unit may be declared a constructive total loss. The Company has the following options:

C.1 Retain the salvage- The amount of settlement shall be net of deductible and excess in towing limit, if any.

C.2 Surrender the unit to the Insured-The amount of settlement shall be net of salvage, deductible and excess in towing limit, if any:

C.3 Buy an identical unit for and in behalf of the assured. The amount of deductible and excess in towing limits, if any shall be for the account of the insured.

D. ON THEFT/CARNAP CLAIM

The company has the following options as modes of settlement:

D.1 Cash Settlement- in which case the settlement amount shall be the sum insured or fair market value whichever is lower LESS DEDUCTIBLE.

D.2 Replacement of unit- The Company will buy an identical unit for and in behalf of the insured, the amount of deductible and excess in towing limits, if any shall be for the account of the insured.

E. ON DEATH/BODILY INJURY CLAIMS

E.1 Death/Bodily Injury

Head Office shall evaluate the medical /hospital and/or funeral/burial expenses in accordance with the Schedule of Indemnities provided in the Compulsory Third Party Liability (CTPL) policy.

Reasonable expense supported by official receipts in excess of the limits of liability under the CTPL shall be charged against the Voluntary Third Party Liability- Death/Bodily Injury (CTPL-BI) coverage, if any.

In both cases, the company may cash settle the claim.

F. ON PROPERTY DAMAGE CLAIMS

Head Office shall compare the estimates submitted and evaluate the damage sustained by the third party vehicle.

Head Office may refer the third party vehicle to its accredited motor repair shops for repairs if acceptable to the third party, or may cash settle the claim.

D. SCHEDULE OF SETTLEMENT OF CLAIMS

A. ON OWN DAMAGE CLAIMS

1. Release of Claims and Subrogation Receipt duly signed by the insured or his/her Attorney-in-fact.

B. ON TOTAL LOSS CLAIMS

1. Before payment of total loss claims can be effected, the insured shall submit/turn-over the following:
 - a. Deed of Sale executed by the insured in favor of CBIC duly signed by the insured.
 - b. Original Certificate of Registration and O.R.;
 - c. Ignition Keys;
 - d. Original Policy and O.R. ;
 - e. If the unit is mortgaged, a statement of the balance due the mortgagor or release of Chattel Mortgage;
 - f. In case the vehicle is registered under the name of a corporation, a Special Power of Attorney (SPA) pr Board Resolution in favor of the authorized signatory shall be submitted.
 - g. Release of Claim and Subrogation Receipt duly signed by the insured or his/her Attorney-in-fact.

C. FOR THEFT (CARNAP) CLAIMS

1. After ninety (90) days from date of loss, the insured shall submit the following additional requirements to Head Office:
 - a. Certification of non-recovery from PNP Anti-Carnapping;
 - b. Original Certificate of Registration and O.R.;

- c. Original copy of alarm sheet;
- d. Deed of Sale executed by our assured in favor of CBIC duly assigned by the assured;
- e. Ignition keys, if available;
- f. If the unit is mortgaged, a statement of balance due the mortgagor or release of Chattel Mortgagee;
- g. Community Tax Certificate of the assured;
- h. In case the vehicle id registered under the name of a corporation, a Special Power of Attorney (SPA) or Board Resolution in favor of the authorized signatory;
- i. Release of Claim and Subrogation Receipt duly signed by the insured or his/her Attorney-in-fact.

D. ON PROPERTY DAMAGE CLAIMS

- 1. Release of Claim duly signed by the claimant or his/her Attorney-in-fact.
- 2. Affidavit of Desistance duly signed by the Third Party (TP) claimant.
- 3. Order of Dismissal
(From Fiscal's Office or Court when case has reached either offices)

E. FOR BODILY INJURY AND DEATH CLAIMS

- 1. Release of Claim duly signed by the claimant or his/her Attorney-in-fact.
- 2. Affidavit of Desistance duly signed by the third party (TP) claimant.
- 3. Order of Dismissal from Fiscal's Office/Court (when case has reached either offices)

III. HANDLING THEFT/CARNAPPED CLAIM

1. REPORTING

Once Claims Department received a report of a Carnapped Vehicle Claim, Claims Manager should notify the SVP/GM and immediately makes sure that the following are undertaken:

- A. Claims Manager/Senior Evaluator should immediately assigned the case to an Independent Adjuster.
- B. Notify PIRA-Motor Claims Information System.

2. DOCUMENTATION

Upon receipt of the accident report, the Assured is required to submit the necessary documents for claims processing:

- A. Original copies of Insurance Policy and O.R.
- B. Photo copies of CR and O.R. of payment
- C. Original copy of Police Report
- D. Original copy Alarm Sheet and Complainant Sheet-PNP/TMG.
- E. Original copy of Certificate of Non-Recovery –PNP/TMG
- F. Ignition keys
- G. Photo copy of Community Tax Certificate
- H. Photo copy of Identification Card

3. EVALUATION

Upon the submission of the Final Report by the Independent Adjuster, Claims Manager will evaluate and submit his report to the SVP-GM for appropriate review and recommendation to the committee

IV. HANDLING OF RECOVERED VEHICLES

A. RECOVERY AND LIFTING OF ALARM

1. Once Claims Department received a confirmed report of recovered vehicle from PNP-TMG, Claims Head must immediately inform the SVP & GM for further instruction.
2. Claims Department should immediately retrieve the following documents needed to be presented to PNP-TMG.
 - a. Original Certificate of Registration and Official Receipt
 - b. Alarm Sheet, Complaint Sheet and Police Report
 - c. Duplicate Key
 - d. Release of Claim and Deed of Sale
 - e. Release of Chattel Mortgage-if vehicle is under mortgage
3. Coordinate with TMG personnel for actual vehicle inspection and take photo/stencil of Motor and Chassis number for proper valuation and identification of said vehicle.
4. After the said vehicle and documents are verified, the company will request for PCCL (Police Clearance Crime Laboratory Report) and Recovery report from recovery

Team of PNP-TMG. A maximum of 10% of the present market value as Recovery fee/Finder's fee, if any, shall be discussed with the OIC/SVP & GM.

5. Once all the requirements are completed, the company may now file for the Lifting of Alarm at TMG-Headquarter (Camp Crame-QC). A maximum of 60 days processing period shall be agreed upon in this regard.

B. REGISTRATION OF VEHICLE

1. Once the Lifting of Alarm is completed and vehicle is released, the vehicle should immediately apply for new registration and plate number. (3 days processing period)

The following documents to be submitted to LTO-Diliman District Office:

- a. Original Certificate of Registration and Official Receipt
 - b. Complainant Sheet, Alarm Sheet and Police Report
 - c. PCCL Report, Recovery Report and Disposition Report
 - d. Inspection of Motor Vehicle
 - e. Insurance Coverage (CTPL/COC)
2. Plate number to follow, depending on the manufacturer availability (two months waiting period or less)
 3. After the vehicle is registered, it should be immediately turned-over to Administration Department for custody, maintenance and sale.

V. DISPOSAL

1. The company may dispose or assign the unit to a department or employee, depending on the needs, subject to the President's approval upon recommendation of the SVP-GM.
2. Disposal of the unit shall be thru bidding process
3. The company may also dispose the unit to any interested buyer even if the recovered vehicle is still in the possession of PNP-TMG ("as is where is"), in order not to incur additional expenses for the company, provided that the buyer shall shoulder all related expenses. The Company shall provide all original documents including deed of sale and Secretary Certificate after payment made by the buyer. A Committee of five (5) is hereby constituted for the purpose composed of the following:

- a. PresidentChairman
- b. SVP-External Affairs.....Member
- c. Treasurer.....Member
- d. SVP-GM..... Member
- e. Claims Manager.....Member

4. A Committee of five (5) created for the purpose shall be composed of the following:

A. BIDDING PROCESS

- a. A minimum bid shall be set for every salvage unit with timetable for the bidding process (10 working days).
- b. It must be a sealed bid to be submitted to AVP-Administration and to be opened in the presence of the Internal Auditor and SVP-GM.
- c. Interested bidder must submit a photocopy of a valid ID & Residence Certificate and telephone number, if any.
- d. Winning bidder shall be given five (5) days to pay the bid price otherwise it shall be awarded to the 2nd highest bidder if he could match the winning bid, subject to the approval of the committee.
- e. The Committee may also award the unit to a non-bidder or may go into a negotiated sale of the vehicle based on the winning bid prior approval of the Committee.

B. TURN OVER OF THE VEHICLE

Upon full payment by the winning bidder, Claims Department shall issue authority to pull-out, turn-over of the original copies of Certificate of Registration and O.R., Ignition keys, Secretary Certificate and Deed of Sale.

VI. ACCREDITATION OF MOTOR REPAIR SHOPS

Proposal/application for accreditation shall be required together with the following:

- a. Company Profile
- b. Business Permit
- c. DTI accreditation (star category)
- d. Photographs
- e. Must be at least three (3) star

- f. Must have a floor area of not less than 350 sq. m
- g. Must have complete facilities, body repairs, painting, electrical and mechanical and permanently hired personnel especially on Electrical and Mechanical services.
- h. List of clients/insurance companies servicing

Approving Officer: Head of Claims Department

VII. ACCREDITATION OF INDEPENDENT ADJUSTERS

Proposal/application of accreditation shall be required together with the following:

- a. Company Profile
- b. Business Permit
- c. Insurance Commission License
- d. Complete Lines (Fire, Marine & Casualty)
- e. Must be reputable and in good standing
- f. List of Clients/Insurance Companies serving

Approving Officer: Head of Claims Department

VIII. Assigning/awarding of repairs to accredited motor repair shops

1. At least three (3) motor shops shall participate in the bidding of repairs. Bids shall be on a rotation basis.
2. Previous winning bidders shall be excluded in the next bid to give other motor shops a chance to undertake repairs and to prevent constant patronizing.
3. All repair estimates shall be submitted to Claims Department within five (5) working days from assignment.
4. Claims Department shall examine, scrutinize thoroughly the description of repairs and the corresponding costs to arrive at a reasonable cost of repairs.
5. Claims Department shall issue the Letter of Authority within 72 hours (3 days) from receipt of the requirements.
6. No repairs shall commence without the required Letter of Authority (LOA).

IX. ASSIGNMENT TO INDEPENDENT ADJUSTERS

Please refer to General Condition No. 9

