

## **MEMORANDUM CIRCULAR NO. 40-B**

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

**SUBJECT : AMENDMENT OF MEMORANDUM CIRCULAR 40 & 40-A RE: COMPULSORY PASSENGER INSURANCE COVERAGE**

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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 however, 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