

## 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**

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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, unmanifested, ticketed, unticketed 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.	Apperture unfilled with borne not over three (3) inches without brain injury	9
2.	Apperture unfilled with borne over three (3) inches without	3

	brain injury	
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
	Severe disfigurement of the face or head as to make the passenger so repulsive as to greatly handicap 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
	Partial ablation of the nose or partial avulsion of the scalp	9
	Complete loss of the power of mastication and speech function	1
	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
	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
	<i>NOTE: (Smeller's Chart-used to grade and distant vision)</i>	

<b>No.</b>	<b>NOSE AND MOUTH</b>	<b>Grade</b>
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

<b>No.</b>	<b>EARS</b>	<b>Grade</b>
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

<b>No.</b>	<b>NECK</b>	<b>Grade</b>
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

<b>No.</b>	<b>CHEST-TRUNK-SPINE</b>	<b>Grade</b>
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

<b>No.</b>	<b>ABDOMEN</b>	<b>Grade</b>
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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 coinus	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 a. Loss of five (5) fingers of one hand b. Loss of thumb, index fingers and any of 2 or more fingers	6

	of the same hand	6
	c. Loss of the thumb index fingers and any of 2 or more fingers of the same hand	7
	d. Loss of thumb and index finger	8
	e. Loss of three (3) fingers of one hand not including thumb and index finger	9
	f. Loss of the index finger and any one of the fingers of the same hand excluding thumb	9
	g. Loss of two (2) digits of one hand not including thumb and index finger	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.	Distrubance 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.	Pseudoartrosis 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	10

	faulty union collar bone	
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

<b>No.</b>	<b>LOWER EXTREMITIES</b>	<b>Grade</b>
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 or 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**

<b>Impediment Grade</b>	<b>Maximum Rate</b>
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

**SECRETARY'S CERTIFICATE**

This is to certify that the above-mentioned Memorandum Circular had been approved during the 148<sup>th</sup> Regular Meeting at the Maritime Industry Board of Directors held on 3 June 1999.

**ATTY. GLORIA J. VICTORIA-BAÑAS**  
Acting Corporate Board Secretary

Date Published: 14 July 1999, Philippine Daily Inquirer

Date Submitted to the U.P. Law Center: 16 July 1999