

## The GSIS Takeover of the Compulsory Third Party Liability Insurance Industry: Restraint of Trade or Police Power?

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In this Article, the Author discusses the attempted nationalization of the third-party liability insurance industry by the GSIS as ordered by the DOTC, and the subsequent legal controversy as to whether such a move amounts to a monopoly in restraint of trade. The Author analyzes the ruling of the Court of Appeals, which granted the injunction against the GSIS takeover and agreed with the petitioner-insurance agents' contention that such a course of action would deprive thousands of sanctioned agents of livelihood, as not being determinative of the merits of the case itself.

The Author argues that the legal basis for such a takeover of the CPTL insurance industry is warranted and timely for the purpose of ensuring that the risks paid for are covered in a standard and regulated manner in order to proscribe the dangers of a proliferation of fly-by-night insurance firms. Such a government or state monopolization of this particular industry is legitimized by the need to exercise police power to guarantee proper coverage for the motoring public.