

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. **3308**

Introduced by **HON. JOSEPH GILBERT F. VIOLAGO**

Explanatory Note

It was the overriding intent of the authors of Republic Act No. 10022 to include all overseas Filipino workers (OFWs) in the policy providing a compulsory insurance coverage to strengthen the mantle of protection that the State accords in their favor and for the benefit of their beneficiaries and families as mandated by no less than the Constitution.

However, due to certain factors, the original intent and coverage of the said landmark legislation was not fully realized.

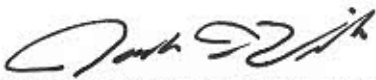
One of apprehensions raised by a few of its oppositors then was that the cost of insurance coverage may be *passed on* to the migrant worker and who advocated then that the compulsory nature of the policy be jettisoned in favor of a voluntary insurance program. Without presenting any proof or evidence, and also in the absence of any other alternative, such opposition never prospered. As expected, Congress unanimously approved the measure because of its immense importance to our OFWs.

Many safeguards were installed to forestall and obviate this possibility---that the insurance cost may be *passed on* to the OFW---at the bicameral conference level and this includes, among others, grave penalties for any errant recruitment/manning agency who will collect and charge the cost of such insurance cover in favor of the OFW, but unfortunately, at the rush of things and also owing to time constraints during the last days of the legislative session, including an early national and presidential elections fever then gripping the nation, **only** those agency-hired workers and who were departing for the first time for their work destinations abroad were considered, leaving more than sixty (60%) percent uninsured.

It must be recalled that it was then the view of the Chair of the House Committee on Overseas Workers Affairs, including all the other members of the House contingent, and which was shared by the Senate panel during the bicameral conference that **"no OFW must ever leave the country again without being covered by an essential and adequate insurance protection"**. Recognizing that not all the OFWs will be covered, as they approached the bill's final approval, it was strongly recommended that the mandatory coverage of **all** OFWs should be considered by the next Congress.

Hence, this proposed bill to **accomplish the unfinished task** and in particular, what should have been completely covered by Republic Act No. 10022.

In view of the foregoing and, verily, in view of the ever growing uncertainties faced by our OFWs, the approval of this bill is earnestly sought.


HON. JOSEPH F. VIOLAGO
Representative, 2nd District-Nueva Ecija

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AN ACT
PROVIDING A COMPULSORY INSURANCE COVERAGE FOR OVERSEAS
FILIPINO WORKERS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO.
10022, PROVIDING MECHANISMS THEREFOR AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives in Congress assembled:

SECTION 1. Section 23 of Republic Act. No. 10022 is hereby amended to read as follows:

SEC. 23. a New section 37-A of Republic Act No. 8042, as amended, is hereby amended to read as follows:

SEC. 37-A. Compulsory Insurance Coverage for **ALL OVERSEAS FILIPINO WORKERS** [Agency-Hired Workers].—In addition to the performance bond to be filed by the recruitment agency/manning agency under Section 10, each migrant worker deployed by a recruitment/manning agency shall be covered by a compulsory insurance policy which shall be secured at no cost to the worker. x x x

x x x

x x x

x x x

“For migrant workers recruited by the POEA on a government-to-government arrangement, the POEA shall establish a foreign employers guarantee fund **SIXTY (60) DAYS FROM THE APPROVAL OF THIS ACT** which shall be answerable to the workers’ monetary claims arising from breach of contractual obligations. For migrant workers classified as rehires, name hires or direct hires, they **SHALL** [may opt to] be covered by this insurance coverage by requesting their foreign employers to pay for the cost of the insurance coverage **THROUGH THE PHILIPPINE OVERSEAS LABOR OFFICE (POLO)** or [they may pay] **BY PAYING** [for] the premium themselves. **IN CASE OF NON-COOPERATION, REFUSAL OR ANY DELAY OF PAYMENT OF THIS INSURANCE COVERAGE BY FOREIGN EMPLOYERS, THESE WORKERS SHALL SHOULDER THE EXPENSES OF THE REQUIRED INSURANCE COVER, AND SAID AMOUNT SHALL BE DEDUCTED FROM THE TOTAL AMOUNT OF ADMINISTRATIVE AND PROCESSING FEES COLLECTED BY THE POEA FROM THEM FOR**

**THEIR TRAVEL BACK TO THEIR WORK
DESTINATIONS ABROAD. x x x**

SEC. 2. Qualification of Participating Insurers.--Only reputable private insurance companies based in the Philippines duly authorized and licensed by the Insurance Commission (IC) which are in existence and operational for at least five (5) years, with a net worth of at least Five Hundred Million Pesos (Php 500,000,000.00) based on their audited financial statements for the immediately preceding year, with a current year certificate of authority, and with an IC-approved standard policy, shall be qualified to provide for this compulsory insurance coverage.

SEC. 3. Representative Office.--The insurance provider must establish branches near the vicinity where the POEA offices are located all over the country. Its central office must also establish a 24-hour call/assistance centers to provide immediate assistance and entertain complaints and inquiries from migrant workers and/or their beneficiaries, including other stakeholders. Furthermore, these insurance companies must have their own company representatives stationed in host countries having at least ten thousand (10,000) OFWs insured under this compulsory insurance coverage to provide in-country assistance for claims servicing of migrant workers relative to their insurance coverage. In countries with more than one POLO, there shall be as many representatives as there are POLOs, and in special circumstances where the presence of a company representative is immediately needed as may be determined by the POEA, the Insurance Commission shall require the insurance company to forthwith send such representative.

SEC. 4. Insurance Premium.-- The premium rate shall cover, at the very least, the benefits stated in Republic Act No. 10022, but without prejudice to any preference for more benefits as may be chosen by the insured OFW.

SEC. 5. Unique Features of the Insurance Policy.--(a) Any claim arising from accidental death, natural death or disablement under this section shall be paid by the insurance company without any contest and without the necessity of providing fault or negligence of any kind on the part of the insured migrant worker.

(b) The policy shall not contain any standard or special exclusion usually and customarily recognized in ordinary insurance contracts.

(c) There shall be a proportionate amount of return of premium for the benefit of the insured worker corresponding to the unexpired term of the insurance contract when the worker decides to voluntarily pre-terminate his employment contract and returns to the Philippines.

SEC. 6. Dispute Settlement.--Any question or dispute in the enforcement of any insurance policy issued under this Act, regardless of the amount, shall be brought before the Insurance Commission for mediation or adjudication pursuant to applicable provisions of the Insurance Code and circulars issued by the IC. The existing claims adjudication procedures of the IC shall apply in the settlement of insurance claim disputes. Free legal assistance shall be accorded to any insured OFW, at his/her option, in case he/she intend to dispute the non-payment or short-payment of their benefits enumerated under the insurance coverage.

SEC. 7. Safeguard in the Issuance of Overseas Employment Certificate.--The POEA shall not issue an overseas employment certificate (OEC) to any OFW if the proof of insurance coverage submitted was issued by an insurance provider not included in the list of qualified insurance providers furnished by the Insurance Commission. No certificate or proof of cover shall be accepted unless validated and approved by the Insurance Commission.

SEC. 8. Regular Monitoring.—A monitoring and supervisions program shall be drawn by the Insurance Commission, in consultation with the DOLE, POEA and NLRC, and the Senate Committee on Labor and House Committee on Overseas Workers Affairs, to ensure an effective enforcement of the provisions of this Act which shall be included as an addendum in the implementing rules and regulations of this Act. Said program must also consider vital recommendations of Philippine non-governmental organizations involved in the protection and advancements of the rights and welfare of our OFWs.

SEC. 9. Automatic Review.—The foregoing provisions on mandatory insurance coverage shall be subject to automatic annual review through the Congressional Oversight Committee one (1) year from the effectivity of this Act, without prejudice to an earlier review if warranted by any special circumstance or compelling reason to either address a particular situation, modify, rectify, strengthen or implement more effectively any provision of this Act.

SEC. 10. Implementing Rules and Regulations. — The departments and agencies charged with carrying out the provisions of this Act, in consultation with the Senate Committee on Labor and Employment and the House of Representatives Committee on Overseas Workers Affairs, shall, within sixty (60) days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation. The Insurance Commission shall also issue the pertinent guidelines relative to insurance matters within the aforesaid period and which shall be incorporated in the implementing rules and regulations.

Section 11. Funding. — The departments, agencies, instrumentalities, bureaus, offices and government-owned and controlled corporations charged with carrying out the provisions of this Act shall include in their respective programs the implementation of this Act, the funding of which shall be included in the General Appropriations Act.

Section 12. Separability Clause. — If, for any reason, any portion of this Act is declared unconstitutional or invalid, the same shall not affect the validity of the other provisions not affected thereby.

Section 13. Repealing Clause. — All laws, decrees, executive orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 14. Effectivity. — This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,