

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

Sixteenth Congress  
Second Regular Session

House Bill No. **5671**



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Introduced by **Hon. Joseph F. Violago**

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**Explanatory Note**

In numerous labor and social welfare legislation, Congress has steadily and vigorously maintained the State's avowed policies of upholding the dignity and fundamental human rights of Filipino migrant workers and protecting every citizen desiring to work overseas by, among others, securing the best possible terms and conditions of their employment.

This bill, in essence, proposes extra measures to further strengthen current standards of protection and welfare of our migrant workers and their families in accordance with the said policies and the constitutional mandate of according full protection to our workers.

The first measure deals with the required bonds and escrow intended for all valid and legal claims arising from violations of the conditions for the grant and use of the license and accreditation of recruitment agencies, as well as their contracts of employment and for their continuing compliance with the provisions of the Labor Code and other current laws and its implementing rules and regulations relating to recruitment and placement.

Since 2002, the required escrow amounts only to one million pesos, while the surety bond is only P 100,000—amounts which are clearly inadequate to address the very purposes for its issuance. Hence, the need to make said amounts more responsive especially in the face of an ever burgeoning OFW population and steadily increasing number of perils and prevalent recurrences of these risks and dangers.

The second deals with the inclusion of war risk insurance coverage in compulsory insurance policies issued in favor of our OFWs based in countries where their security remains fragile and volatile due to internal strife, war, invasion due to external factors, imminent presence and recurring acts of terrorism and other related violence, a list of which shall be jointly drawn and made and continuously updated by the Department of Foreign Affairs (DFA) and the Department of Labor and Employment (DOLE).

So very often in the Middle East and some African countries, our OFWs are instructed to restrict non-essential movements, avoid public places and prepare for possible evacuation when necessary. Also, it is not also uncommon that our government regularly dispatch crisis management teams to undertake mandatory evacuation and repatriation procedures while efforts to regain and maintain a state of normalcy are exerted by the host countries.

Thus, as war risks may be specifically excluded from a basic insurance coverage, it must, as a matter of public policy, be made available for our OFWs as an added protective mantle for their own benefit and their families.

Another measure pertains to the direct participation of foreign insurance companies engaged in providing insurance coverage usually in the case of our seafarers where the establishment of a local or satellite office or subsidiary is required to ensure an effective and real execution of judgments in cases filed by our seafarers.

In view of the foregoing, the passage of this proposed legislation is earnestly sought.

  
**Hon. Joseph F. Violago**

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*Be it enacted by the Senate and House of Representatives of the Congress of the Republic of the Philippines in session assembled:*

**AN ACT**  
**PROVIDING ADDITIONAL SAFEGUARDS FOR THE PROTECTION OF FILIPINO MIGRANT WORKERS AND FOR OTHER PURPOSES**

**SECTION 1.** All agencies engaged in the recruitment and employment of overseas Filipino workers shall submit, in accordance with the licensing and accreditation rules and regulations of the Philippine Overseas Employment Administration (POEA), an Escrow Agreement in the amount of Ten Million Pesos (P 10,000,000), a confirmation of escrow deposit with an accredited reputable bank and a surety bond of Five Hundred Thousand Pesos (P 500,000.00) from a bonding company accredited with the Insurance Commission.

**SEC. 2.** All migrant workers deployed by any recruitment/manning agency shall be covered by a compulsory insurance policy that must include a war risk insurance coverage. For this purpose, a war risk insurance coverage is a type of insurance that covers death and any damage, loss or injury due to acts of war, including invasion, insurrection, coup d'etat, rebellion, piracy, riots, mass uprisings and acts of terrorism such as but not limited to bombings, arson, poisoning, hijacking, kidnapping and mass destruction. Such insurance policy shall be effective for the duration of the migrant worker's employment contract.

**SEC. 3.** The State shall establish a system of social protection, by way of insurance, to compensate seafarers and their families for monetary loss, death or injury that they may incur as a result of the failure of a recruitment and placement service or the shipowner under the seafarers' employment agreement to meet its obligations to them. Towards this end, each overseas Filipino seafarer shall be covered by a compulsory insurance policy at no cost to the said worker and with an added war risk insurance coverage. Such insurance policy shall be effective for the duration of the migrant worker's employment contract and shall cover at the minimum all the benefits stated under Section 37-A of R.A. 8042, as amended by R.A. 10022.

Only reputable private life, non-life and composite insurance companies duly licensed and accredited 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 (P500,000,000.00) based on the audited financial statement submitted and approved under the Philippine Financial Reporting Standards (PFRS) as similarly required in land-based recruitment agencies, with a current year certificate of authority and with an IC-approved policy, shall be qualified to provide for this insurance coverage.

Any foreign insurance company shall also be qualified to provide for the same insurance coverage, in favor of the seafarer, provided that they have a local office or subsidiary doing business in the Philippines and further, that they comply with current regulations of the Securities and Exchange Commission (SEC) and the Insurance Commission.

Any claim arising from accidental death, natural death or disablement shall be paid by the insurance company without any contest and without the necessity of proving fault or negligence of any kind on the part of the insured seafarer. Any question of dispute in the enforcement of any insurance policy issued in favor of the overseas Filipino seafarer shall be brought before the IC for mediation or adjudication regardless of the amount involved.

All the standards and procedures mentioned in the filing and settlement of claims from the insurance coverage under R.A. 10022, including its Omnibus Rules and Regulations and the Insurance Guidelines, are hereby incorporated to institute an orderly and effective system of resolution and satisfaction of claims.

**SEC. 4.** If the employment agency fails to provide the airfare ticket within 48 hours to a distressed OFW based in war risk areas in cases where a voluntary or mandatory repatriation is required by the Department of Foreign Affairs (DFA), the POEA shall *ipso facto* suspend the documentary processing of the agency's overseas work applicants or impose such sanctions, as it may deem necessary. Thereafter, the POEA shall henceforth request the Overseas Workers Welfare Administration (OWWA) to advance the costs of repatriation with recourse to the agency and/or employer. The administrative sanction shall only be lifted after the agency or employer has reimbursed OWWA the costs of repatriation. In these war risk and other related perilous situations, the employment agency shall also immediately notify the family or the nearest kin or relative of the worker of the status of the same.

**SEC. 5. Implementing Rules and Regulations-** The Department of Labor and Employment (DOLE), Philippine Overseas Employment Administration (POEA), Insurance Commission (IC) and other departments and agencies charged with the implementation of the provisions of this Act, in coordination with the Senate Committee on Labor and the House Committee on Migrant Workers Affairs, shall formulate the rules and regulations for its effective implementation.

**SEC. 6. Separability Clause.** If any provision of this Act is declared unconstitutional or invalid, the same shall not affect the validity of the other provisions not thereby affected.

**SEC. 7. Repealing Clause.** - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with any provision of this Act are hereby amended or modified accordingly.

**SEC. 8. Effectivity Clause.** - This Act shall take fifteen (15) days following its publication in the official Gazette or in at least two (2) newspaper of general circulation.

Approved,