

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 9433

Introduced by **MAGDALO Party-List Representative**

HON. MANUEL DG. CABOCHAN III

EXPLANATORY NOTE

According to the Philippine Statistics Authority, there are over 2 million construction workers employed in the Philippines¹. This highlights the vastness of the construction industry and its importance in the Philippine economy. While construction workers form a huge part of the labor sector, they are also one of the most exposed to occupational injuries.

The hazardous environment in construction sites, which is sometimes exacerbated by the absence of protective equipment, lack of workers' skills, and negligence of the employer, can result in physical injuries, disability, and death. During such instances, workers or their families are merely compensated a small amount that is not even commensurate to the loss of livelihood and chance to live fully.

This bill requires employers to provide group personal accident insurance coverage for construction workers. The insurance coverage shall be used to compensate the construction worker or his family for a just and reasonable amount in case of a

¹ Philippine Statistics Authority – National Statistics Coordination Board. (October 2011). *Statistics: Labor and Employment*. Retrieved from http://www.nscb.gov.ph/secstat/d_labor.asp

work-related accident or death. The premiums shall be covered by the employer and shall not be deducted from the salaries of the construction workers.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to be 'MANUEL DG. CABOCHAN III', written over a circular stamp or seal.

MANUEL DG. CABOCHAN III

Representative

Magdalo Para Sa Pilipino Party-List

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AN ACT
MANDATING AN ACCIDENT AND LIFE INSURANCE COVERAGE FOR
CONSTRUCTION WORKERS

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

1 SECTION 1. *Short Title.*— This Act shall be known as the “*Construction*
2 *Workers Insurance Act.*”

3
4 Sec. 2. *Declaration of Policy.*— It is hereby declared the policy of the State to
5 ensure the safety and promote the welfare of construction workers because of the
6 hazardous and dangerous work environment. To this end, it is the intent of this Act
7 to require employers of construction workers to provide for mandatory group
8 personal accident insurance coverage to guarantee the quick and efficient delivery of
9 indemnity to injured workers at a reasonable cost to the employers.

10
11 Sec. 3. *Definition of Terms.*— The following terms, for the purposes of this Act,
12 shall be defined as follows:

1 (a) *Construction* covers the following:

- 2 (i) Building, including excavation and the construction, structural
3 alteration, renovation, repair, maintenance (including cleaning
4 and painting) and demolition of all types of buildings or
5 structures; and
6 (ii) The erection and dismantling of prefabricated buildings and
7 structures, as well as manufacturing of prefabricated elements
8 on the construction site.

9
10 (b) *Construction worker* refers to a person engaged in construction that is
11 exposed to a considerable risk, danger or hazard while in line of work;
12

13 (c) *Employer* refers to a contractor or a subcontractor that employs at
14 least ten (10) construction workers to perform a service for hire and
15 includes a corporation, partnership, limited liability company,
16 association, group of persons, state, city, municipality, school district,
17 or any government subdivision;

18
19 (d) *Construction site* refers to any place or location where a building or a
20 structure is being constructed;

21
22 (e) *Insurance* refers to a contract wherein one party undertakes to
23 compensate the other for an injury relating to a particular subject as a
24 result of the occurrence of designated hazards;

25
26 (f) *Group Personal Accident Insurance* refers to a type of insurance
27 coverage offered to a group of people, which provides benefit to the
28 individual or beneficiaries if the covered individual is permanently
29 disabled or dies during the defined insurance covered period resulting
30 from accidental death, disability, and injuries;

31
32 (g) *Insurance company* is a corporation, duly accredited by the Insurance
33 Commission that provides for insurance coverage of the construction

1 worker upon payment by the employer of the required insurance
2 premium.
3

4 *Sec. 4. Mandatory Insurance Coverage.*– All construction workers employed in
5 a construction project or site shall be provided a group personal accident insurance
6 coverage by the employer. The duration of the insurance shall start from the
7 commencement of the service of the construction worker until the completion of the
8 construction project or upon the termination of the employment contract.
9

10 Nothing in this Act shall be construed to diminish or reduce any benefit and
11 other privileges which the worker may be entitled under existing laws, decrees,
12 executive orders, company policy or practice or any agreement or contract between
13 the employer and employees.
14

15 *Sec. 5. Cost of Insurance.*– The premiums to be paid to the insurance
16 company shall be completely paid for by the employer and shall not be deducted
17 from the wages of the construction workers.
18

19 *Sec. 6. Minimum Insurance Coverage.*– The group personal accident
20 insurance shall provide for financial assistance including, but not limited to, the
21 following:

22 (a) For natural death, the amount of Seventy-Five Thousand Pesos
23 (P75,000.00);

24 (b) For accidental death, the amount of One Hundred Thousand Pesos
25 (P100,000.00);

26 (c) For death in the line of work, the amount of One Hundred Fifty Thousand
27 Pesos (P150,000.00);

28 (d) For loss of both hands, the amount of Fifty Thousand Pesos (P50,000.00);

29 (e) For loss of both feet, the amount of Fifty Thousand Pesos (P50,000.00);

30 (f) For loss of sight of both eyes, the amount of the amount of Fifty Thousand
31 Pesos (P50,000.00);

1 (g) For loss of one hand and one foot, the amount of Fifty Thousand Pesos
2 (P50,000.00);

3 (h) For loss of one hand and sight of one eye, the amount of Fifty Thousand
4 Pesos (P50,000.00);

5 (i) For loss of one foot and sight of one eye, the amount of Fifty Thousand
6 Pesos (P50,000.00);

7 (j) For loss of one hand or one foot, the amount of Twenty-Five Thousand
8 Pesos (P25,000.00); and

9 (k) For loss of sight of one eye, the amount of Twenty-Five Thousand Pesos
10 (P25,000.00)

11
12 *Sec. 7. Health Insurance.*— In addition to the compensation that shall accrue
13 to the worker in the preceding section, every construction worker shall likewise be
14 entitled to receive fair and prompt medical benefits in cases where the illness is
15 directly attributable to or was developed in the course of employment. This is meant
16 to cover loss of wages due to workplace exposure.

17
18 *Sec. 8. Limitations.*— No compensation shall be given to the construction
19 worker or his dependents when the injury, illness, disability or death was due to any
20 of the following:

21 (a) His intoxication;

22 (b) His willful intention to injure or kill himself or another; or

23 (c) His gross negligence.
24

25 *Sec. 9. Penalties.*— Any person, partnership or corporation who violates any
26 provision of this Act shall, upon conviction, suffer the following penalties:

27 (a) For the first violation, a fine of not less than Two Hundred Thousand
28 Pesos (P200,000.00) but not more than Five Hundred Thousand Pesos
29 (P500,000.00); and

30 (b) For any subsequent violation, a fine of not less than Four Hundred
31 Thousand Pesos (P400,000.00) but not more than One Million Pesos
32 (P1,000,000.00).

1
2 If the offender is a corporation, organization or any similar entity, the officials
3 thereof directly involved in the violation shall be liable.
4

5 If the offender is an alien or foreigner, he shall be deported immediately upon
6 service of sentence without proceedings.
7

8 Upon filing of the appropriate complaint or information, the Secretary of
9 Labor and Employment shall request the appropriate local government unit to cancel
10 or revoke the business permit, permit to operate and other similar privileges granted
11 to any business entity or person that fails to abide by or violates the provisions of
12 this Act.
13

14 Sec. 10. *Implementing Rules and Regulations.*— Within ninety (90) days from
15 the effectivity of this Act, the Secretary of Labor and Employment shall promulgate
16 the implementing rules and regulations as may be necessary to ensure the efficient
17 and effective implementation of this Act.
18

19 Sec. 11. *Separability Clause.*— Should any part of this Act be declared
20 unconstitutional, the rest of the provisions of this Act shall continue to be in effect
21 and subsisting.
22

23 Sec. 12. *Repealing Clause.*— The provisions of other laws, decrees, executive
24 orders, rules and regulations inconsistent with this Act are hereby repealed,
25 amended, or modified accordingly.
26

27 Sec. 13. *Effectivity.* — This Act shall take effect fifteen (15) days after its
28 publication in the Official Gazette or in at least two (2) national newspapers of
29 general circulation.

Approved,