



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 10573



Introduced by
HON. ATTY. GERVILLE “JINKY BITRICS” R. LUISTRO

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

EXPLANATORY NOTE

This bill seeks to mandate employers, particularly contractors in the construction sector, to provide mandatory group personal accident insurance coverage for their workers, ensuring prompt and efficient compensation delivery to injured workers at a reasonable cost to employers.

A report from the International Labor Organization highlighted the inadequate safety and health protection for Filipino workers, with only 2.2 million employees in medium and large enterprises benefiting from effective occupational safety and health measures, leaving 38.8 million others without such protection (International Labour Organization, n.d.)¹.

The construction industry, classified as high-risk under Department Order No. 198 series of 2018 by the Department of Labor and Employment, faces significant daily hazards. Despite these risks, a 2023 report from the Bureau of Working Conditions revealed that only 52 out of 95 construction projects inspected between August 1 to 15, 2023, were compliant with occupational safety and health standards (Patinio, 2023)².

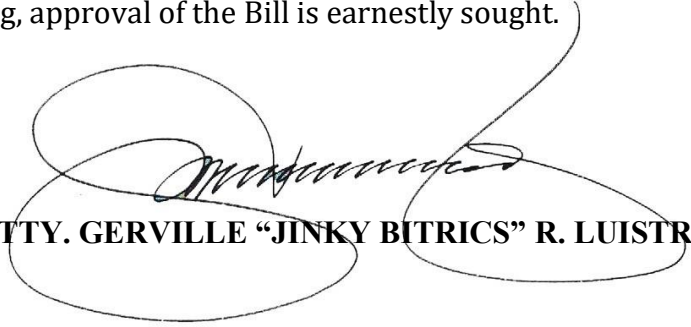
Republic Act No. 11058, enacted in 2018, further strengthens the country's commitment to occupational safety and health. This law emphasizes the importance of compliance with OSH standards and aims to prevent workplace accidents and illnesses.

¹ International Labour Organization, “Safety and health at work in the Philippines,” <https://www.ilo.org/regions-and-countries/asia-and-pacific/philippines/areas-work/safety-and-health-work-philippines>

² Ferdinand Patinio, “52 of 95 inspected construction hubs violating safety rules,” Philippine News Agency, 2023, <https://www.pna.gov.ph/articles/1207975>

Given the state's obligation to ensure full protection for the labor force, especially those in high-risk industries like construction, it's imperative for the government to enact laws safeguarding the health and well-being of construction workers. Ensuring a safe working environment at construction sites and preventing accidents resulting in death or injury to workers is crucial.

In view of the foregoing, approval of the Bill is earnestly sought.

A handwritten signature in black ink, appearing to read "Gerville R. Luistro", is written over a large, stylized, loopy graphic that resembles a large "S" or a signature flourish.

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

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

SEC. 2. *Declaration of Policy* — It is hereby declared the policy of the State to ensure the safety and promote the welfare of construction workers because of their hazardous and dangerous work environment. To this end, it is the intent of this Act to require employers, particularly contractors, of construction workers to provide for higher mandatory group personal accident insurance coverage and hold them liable for workplace accidents to guarantee the quick and efficient delivery of indemnity to injured workers at a reasonable cost to the employers.

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

- a) The term Construction covers:
 - i) Building, including excavation and the construction, structural alteration, renovation, repair, maintenance (including cleaning and painting) and demolition of all types of buildings or structures; and
 - ii) The erection and dismantling of prefabricated buildings and structures, as well as manufacturing of prefabricated elements on the construction site.
- b) Construction Worker - refers to a person engaged in construction works who is exposed to considerable risk, danger or hazard while in the line of work.
- c) Contractor - refers to any entity, individual, or company contracted to undertake a construction project or provide construction services for hire and includes corporations, partnerships, limited liability companies, associations, groups of persons, state, city, municipality, school district, or any government subdivision;
- d) Construction site - refers to any place or location where a building or a structure is being constructed;

- e) Insurance - refers to a contract wherein one party undertakes to compensate the other for an injury relating to a particular subject as a result of the occurrence of designated hazards;
- f) Group Personal Accident Insurance - refers to a type of insurance coverage offered to a group of people, which provides benefit to the individual or beneficiaries if the covered individual is permanently disabled or dies during the defined insurance covered period resulting from accidental death, disability, and injuries;
- g) Insurance Company - a corporation, duly accredited by the Insurance Commission, that provides for the insurance coverage of the construction workers upon payment by the employer of the required insurance premium.

SEC. 4. *Mandatory Insurance Coverage* — All construction workers employed in a construction project or site shall be provided a group personal accident insurance coverage by the employer, particularly contractors. The duration of the insurance shall start from the commencement of the service of the construction worker until the completion of the construction project or upon the termination of the employment contract.

The insurance coverage mandated by this Act shall be higher and shall provide for financial assistance, including, but not limited to, the following:

- a) For natural death, the amount of One Hundred Fifty-Thousand Pesos (P150,000.00)
- b) For accidental death, the amount of Two Hundred Fifty Thousand Pesos (P250,000.00);
- c) For death in the line of work, the amount of Three Hundred Fifty Thousand Pesos (P350,000.00);
- d) For loss of both hands, the amount of One Hundred Twenty-Five Thousand Pesos (P125,000.00);
- e) For loss of both feet, the amount of One Hundred Twenty-Five Thousand Pesos (P125,000.00);
- f) For the loss of sight of both eyes, the amount of One Hundred Twenty-Five Thousand Pesos (P125,000.00);
- g) For the loss of one hand and one foot, the amount of One Hundred Twenty-Five Thousand Pesos (P125,000.00);
- h) For the loss of one hand and the sight of one eye, the amount of One Hundred Twenty-Five Thousand Pesos (P125,000.00);
- i) For the loss of one foot and sight of one eye, the amount of One Hundred Twenty-Five Thousand Pesos (P125,000.00);
- j) For the loss of one hand or one foot, the amount of Seventy-five Thousand Pesos (P75,000.00); and
- k) For the loss of sight of one eye, the amount of Seventy-five Thousand Pesos (P75,000.00).

Provided that the Secretary of Labor and Employment (SOLE) shall regularly adjust to inflation such amounts every five (5) years, based on data reported by the Philippine Statistics Authority.

SEC. 5. *Health Insurance* — In addition to the compensation that shall accrue to the worker in the preceding section, every construction worker shall likewise be entitled to receive fair and prompt medical benefits in cases where the illness is directly attributable to or was developed in the course of employment. This is meant to cover loss of wages due to workplace exposure.

SEC. 6. Contractor Liability for Workplace Accidents — Contractors shall be held strictly liable for workplace accidents involving their employed construction workers. In the event of an accident resulting in injury or death, the contractor shall be responsible for providing immediate assistance, including medical attention, and financial compensation to the affected worker or the worker's family.

SEC. 7. Penalties — Any contractor who fails to comply with the mandatory insurance coverage and contractor liability provisions of this Act shall, upon conviction, suffer the following penalties:

- a) For the first violation, a fine of not less than Three Hundred Thousand Pesos (P300,000.00) but not more than Five Hundred Thousand Pesos (P500,000.00); and
- b) For any subsequent violation, a fine of not less than Five Hundred Thousand Pesos (P500,000.00) but not more than One Million Pesos (P1,000,000.00).

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

Upon filing of the appropriate complaint or information, the SOLE shall request the appropriate local government unit to cancel or revoke the business permit, permit to operate, and other similar privileges granted to any contractor that fails to abide by or violates the provisions of this Act. The contractor shall also be blacklisted and barred from engaging in any construction-related projects in the Philippines for a period of not less than five (5) years from the date of the conviction.

SEC. 8. Implementing Rules and Regulations — Within ninety (90) days from the effectivity of this Act, the SOLE shall promulgate the implementing rules and regulations as may be necessary to ensure the sufficient and effective implementation of this Act.

SEC. 9. Separability Clause — If any provision of this Act is declared invalid or unconstitutional, the provisions not affected thereby shall remain in full force and effect.

SEC. 10. Repealing Clause — All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations, or parts thereof contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 10. Effectivity — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,