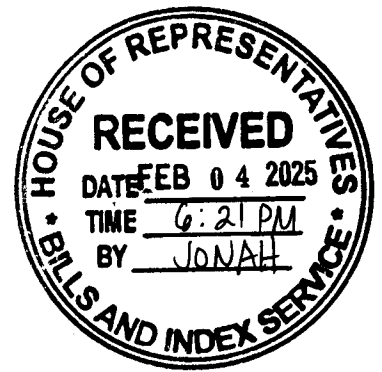




Republic of the Philippines

House of Representatives

Quezon City, Metro Manila



Nineteenth Congress
Third Regular Session

HOUSE BILL NO. **11426**

Introduced by Representative Baby Aline Vargas-Alfonso

EXPLANATORY NOTE

This bill seeks to enhance the protection and welfare standards for migrant workers through expanded compulsory insurance coverage, amending Republic Act No. (RA) 8042, otherwise known as the "*Migrant Workers and Overseas Filipinos Act of 1995*," as amended.

Section 18, Article II of the 1987 Constitution provides that "*The State arms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.*" This policy is supported by Section 3, Article XIII of the Constitution that requires the State to afford full protection to labor, local or overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

RA 8042, as amended by RA 10022, provides compulsory insurance coverage for agency-hired overseas Filipino workers (OFWs). It strengthens the government's commitment to safeguard OFWs by expanding compulsory insurance coverage and ensuring immediate assistance.

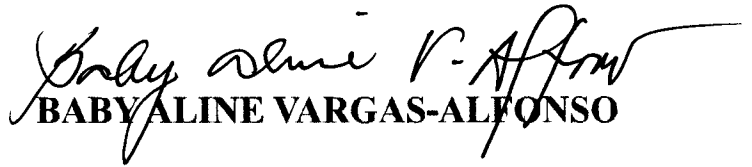
Under Section 37-A of the law, workers classified as rehires, name hires or direct hires are only given the option to have insurance coverage, but they may either pay for the cost or premium themselves or request their foreign employer to shoulder the same. Those hired on government-to-government arrangement are not even given an option for the same insurance coverage.

This bill provides compulsory insurance coverage for migrant workers or OFWs under their employment contract at no cost. It sets the criteria to qualified insurance providers by requiring them to meet a minimum capitalization threshold and maintain ethical practices. It also provides regular assessments by the Insurance Commission, with the option to blacklist non-compliant insurers, promote accountability, discourage unethical behavior, thereby building confidence in the system.

The Department of Migrant Workers and the Insurance Commission shall also oversee the transition and ensure compliance with digitalization and verification mandate, and other regulatory actions.

The OFWs deserve protection not only because it is mandated by the Constitution but also because they keep the country's economy afloat through their remittances. The proposed amendments reinforce the country's commitment to safeguard OFWs for their hard work and patriotism.

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


BABY ALINE VARGAS-ALFONSO



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HOUSE BILL NO. **11426**

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1
2
3 **AN ACT**
4 **ENHANCING THE PROTECTION AND WELFARE STANDARDS FOR**
5 **MIGRANT WORKERS THROUGH EXPANDED COMPULSORY**
6 **INSURANCE COVERAGE, AMENDING FOR THE PURPOSE**
7 **REPUBLIC ACT NO. 8042, OTHERWISE KNOWN AS THE “MIGRANT**
8 **WORKERS AND OVERSEAS FILIPINO ACT OF 1995,” AS AMENDED**
9

10 *Be it enacted by the Senate and House of Representatives of the Philippines in*
11 *Congress assembled:*
12

13 SECTION 1. Section 37-A of Republic Act No. 8042, as amended, is
14 hereby further amended to read as follows:

15 “Sec. 37-A. *Compulsory Insurance Coverage for [Agency*
16 *Hired] MIGRANT WORKERS OR OVERSEAS FILIPINO*
17 *Workers.* – In addition to the performance bond to be filed by the
18 recruitment/manning agency under Section 10, ~~[each migrant~~
19 ~~worker deployed by recruitment/manning agency shall be covered~~
20 ~~by a compulsory insurance policy which shall be secured]~~ **THE**

1 PRIVATE RECRUITMENT AND MANNING AGENCIES
2 ARE REQUIRED TO PROVIDE COMPREHENSIVE
3 INSURANCE TO THE MIGRANT WORKERS OR OFWS
4 THEY WILL DEPLOY at no cost to the said worker.

5 "WITH RESPECT TO OFWS DEPLOYED
6 THROUGH OTHER ARRANGEMENTS, SUCH AS BUT
7 NOT LIMITED, BALIK-MANGAGAWA OR REHIRE
8 WORKER, DIRECT HIRE WORKER, AND FOR
9 GOVERNMENT TO GOVERNMENT HIRED WORKER,
10 THE FOREIGN EMPLOYER SHALL BE REQUIRED TO
11 SECURE THE COMPREHENSIVE INSURANCE TO THE
12 CONCERNED OFW UNDER THE EMPLOYMENT
13 CONTRACT, AT NO COST TO THE SAID WORKER.

14 "[~~Such~~] SAID insurance policy shall be effective for the
15 duration of the migrant worker[-s] OR OFW'S employment
16 UNLESS EXPRESSLY STATED OTHERWISE IN THE
17 INSURANCE POLICY. [~~and~~] IT shall cover, at the minimum:

18 "(a) x x x;

19 "x x x

20 "(e) x x x;

21 "(f) Money claims arising from employer's liability which
22 may be awarded or given to the worker in a judgement or

1 settlement of his or her case in the NLRC. ~~[The insurance~~
2 ~~coverage for money claims shall be equivalent to at least three (3)~~
3 ~~months for every year of the migrant worker's employment~~
4 ~~contract];~~

5 ~~“[In addition to the above coverage, the insurance policy~~
6 ~~shall also include:]~~

7 “(g) Compassionate visit. When a migrant worker is
8 hospitalized and has been confined for at least seven (7)
9 consecutive days, ~~[he]~~ **THE MIGRANT WORKER** shall be
10 entitled to a compassionate visit by one (1) family member or a
11 requested individual. The insurance company shall pay for the
12 transportation cost of the family member or requested individual
13 to the major airport closest to the place of hospitalization of the
14 worker **AND BACK TO THE PHILIPPINES**. It is, however,
15 the responsibility of the family member or requested individual to
16 meet all visa and travel document requirements;

17 “(h) x x x; and

18 “(i) Medical repatriation. When medically necessary as
19 determined by the **INSURANCE COMPANY’S** attending
20 physician, repatriation under medical supervision to the migrant
21 worker’s residence shall be undertaken by the insurance provider
22 at such time that the migrant worker is medically cleared for

1 travel by commercial carrier. If the period to receive medical
2 clearance to travel exceeds fourteen (14) days from the date of
3 discharge from the hospital, an alternative appropriate mode of
4 transportation, such as air ambulance, may be arranged. Medical
5 and non-medical escorts may be provided when necessary.

6 **“THE INSURANCE COVERAGE ENUMERATED**
7 **ABOVE SHALL BE THE MINIMUM INSURANCE**
8 **COVERAGE WHICH SHALL BE PROVIDED TO THE**
9 **MIGRANT WORKERS OR OFWS BY THE PRINCIPAL**
10 **EMPLOYER OR RECRUITMENT OR MANNING**
11 **AGENCY.**

12 “Only reputable private insurance companies duly
13 registered with the Insurance Commission (IC), which are in
14 existence and operational for at least **FIVE (5) YEARS, WITH A**
15 **NET WORTH IN ACCORDANCE WITH SECTION 194 OF**
16 **THE INSURANCE CODE, AS AMENDED, OF AT LEAST**
17 **[~~Five hundred million pesos (P500,000,000.00)~~ ONE BILLION**
18 **THREE HUNDRED MILLION PESOS (1,300,000,000.00)** to
19 be determined by the IC, and with a current year certificate of
20 authority shall be qualified to provide for the worker's insurance
21 coverage. Insurance companies who have directors, partners,
22 officers, employees or agents with relatives, within the fourth civil

1 degree of consanguinity or affinity, who work or have interest in
2 any of the licensed recruitment/manning agencies or in any of the
3 government agencies involved in the overseas employment
4 program shall be disqualified from providing this workers'
5 insurance coverage.

6 **“ALL INSURANCE PROVIDERS CATERING TO**
7 **OFWS SHALL BE REQUIRED TO DIGITALIZE THEIR**
8 **SERVICES TO ENHANCE ACCESSIBILITY,**
9 **EFFECIENCY, AND TRANSPARENCY. THIS INCLUDES**
10 **ONLINE SUBMISSION OF APPLICATION FORMS,**
11 **ISSUING DIGITAL INSURANCE POLICIES, MAKING**
12 **POLICY DETAILS AVAILABLE ONLINE, AND**
13 **INTEGRATING SECURE DIGITAL PAYMENT SYSTEMS.**
14 **EMPLOYERS, RECRUITMENT/MANNING AGENCIES**
15 **SHOULD BE ABLE TO CONVENIENTLY PAY FOR OFW**
16 **INSURANCE ONLINE, FACILITATING COMPLIANCE**
17 **AND REDUCING ADMINISTRATIVE BURDENS.**
18 **PROVIDERS MUST ALSO ESTABLISH AN ONLINE**
19 **PLATFORM FOR THE DIGITAL SUBMISSION AND**
20 **TRACKING OF CLAIMS, ENSURING A STREAMLINED**
21 **AND EFFICIENT PROCESS FOR OFWS AND THEIR**
22 **BENEFICIARIES.**

1 **“TO ENSURE EUTHENTICITY AND RELIABILITY,**
2 **THE DEPARTMENT OF MIGRANT WORKERS (DMW)**
3 **AND THE INSURANCE COMMISSION SHALL**
4 **IMPLEMENT A VERIFICATION SYSTEM TO VALIDATE**
5 **THE LEGITIMACY OF ALL ISSUED DIGITAL POLICIES.**
6 **THIS VERIFICATION MECHANISM TO PREVENT**
7 **FRAUDULENT INSURANCE SCHEMES, PROTECT OFWS**
8 **FROM ILLEGITIMATE PROVIDERS, AND ENSURE THAT**
9 **ONLY ACCREDITED AND COMPLIANT INSURERS ARE**
10 **ALLOWED TO OPERATE.**

11 **“ALL INSURANCE PROVIDERS CATERING TO**
12 **OFWS SHALL BE REQUIRED TO TRANSITION TO**
13 **DIGITAL PLATFORMS FOR IMPROVED ACCESSIBILITY,**
14 **EFFICIENCY, AND TRANSPARENCY. INSURANCE**
15 **PROVIDERS MUST DEVELOP AND MAINTAIN AN**
16 **ONLINE SYSTEM.**

17 **“THE DIGITAL INSURANCE PLATFORM SHALL**
18 **PROVIDE OFWS WITH AN EASILY ACCESSIBLE**
19 **INTERFACE TO REVIEW POLICY TERMS, CONDITIONS,**
20 **AND COVERAGE DETAILS. EMPLOYERS,**
21 **RECRUITMENT/MANNING AGENCIES, SHALL ALSO BE**
22 **GRANTED ACCESS TO FACILITATE COMPLIANCE AND**

1 **ENSURE TIMELY INSURANCE PAYMENTS FOR THEIR**
2 **WORKERS.**

3 “The **PRINCIPAL EMPLOYER OR** recruitment/manning
4 agency **WHO WILL PROCURE THE INSURANCE POLICY**
5 **OF A MIGRANT WORKER OR OFW** shall have the ~~[right]~~
6 **FREEDOM** to choose ~~[from]~~ **AMONGST** any of the qualified
7 **AND DULY ACCREDITED** insurance providers ~~[the company~~
8 ~~that will insure the]~~ **TO COVER THEIR DEPLOYED** migrant
9 worker ~~[it will deploy]~~. After procuring ~~[such]~~ **THE REQUIRED**
10 insurance policy, the **PRINCIPAL EMPLOYER AND/OR**
11 recruitment/manning agency shall provide an authenticated copy
12 thereof to the migrant worker ~~[—It]~~ **AND** shall then submit the
13 certificate of insurance coverage of the migrant worker to ~~[POEA]~~
14 **THE DMW as [a] PART OF THE MANDATORY** requirements
15 for the issuance of an Overseas Employment Certificate (OEC) to
16 the migrant worker. ~~[in the case of seafarers who are insured under~~
17 ~~policies issued by foreign insurance companies, the POEA shall~~
18 ~~accept certificates or other proofs of cover from~~
19 ~~recruitment/manning agencies: Provided, That the minimum~~
20 ~~coverage under sub-paragraphs (a) to (i) are included therein.]~~

21 **“THE PRINCIPAL EMPLOYER OR**
22 **RECRUITMENT/MANNING AGENCY SHALL ASSIST**

1 **THE MIGRANT WORKER OR OFW OR BENEFICIARY**
2 **IN THE PROCESSING OF CLAIMS AGAINST THE**
3 **INSURER.**

4 “Any person having a claim upon the policy issued pursuant
5 to subparagraphs (a), (b), (c), (d) and (e) of this section shall
6 present to the insurance company concerned a ~~[written notice of]~~
7 claim **EITHER MANUALLY WRITTEN OR SUBMITTED**
8 **THROUGH A SECURE DIGITAL PORTAL**, together with
9 pertinent supporting documents. The insurance company shall
10 forthwith ascertain the truth and extent of the claim and make
11 payment within ten (10) days from ~~[the filing of the notice of claim]~~
12 **RECEIPT OF ALL THE REQUIRED DOCUMENTARY**
13 **REQUIREMENTS FOR THE CLAIM.**

14 “X X X

15 “For repatriation under subparagraph (d) hereof, a
16 certification which states the reason/s for the termination of the
17 migrant worker’s employment and the need for his or her
18 repatriation shall be issued by the ~~[Philippine foreign post or the~~
19 ~~Philippine Overseas Labor Office (POLO) located in the receiving~~
20 ~~country]~~ **MIGRANT WORKERS OFFICE (MWO), OR THE**
21 **EMBASSY OR CONSULAR OFFICE LOCATED IN THE**
22 **RECEIVING COUNTRY.**

1 “For subsistence allowance benefit under subparagraph (e),
2 the concerned [~~labor attaché~~] MWO or, in his absence, the embassy
3 or consular official shall issue a certification which states the name
4 of the case, the names of the parties and the nature of the cause of
5 action of the migrant worker.

6 “For the payment of money claims under subparagraph (f),
7 the following rules shall govern:

8 “(1) After a decision has become final and executory [~~or a~~
9 ~~settlement/compromise agreement has been reached between the~~
10 ~~parties at the NLRC~~], an order shall be released mandating the
11 respondent recruitment/manning agency to pay the amount
12 adjudged [~~or agreed upon~~] within thirty (30) days;

13 **“(1-A) THE LIABILITY OF THE INSURANCE**
14 **COMPANY SHALL BE LIMITED TO THE UNEXPIRED**
15 **PORTION OF THE WORKER’S SALARY UNDER THE**
16 **EMPLOYMENT CONTRACT. ANY PORTION OF THE**
17 **CONTRACT AWARDED TO THE WORKER AS**
18 **COMPENSATION FOR UNPAID SALARY FOR WORK**
19 **ALREADY RENDERED, DAMAGES, PLACEMENT FEES,**
20 **OVERTIME, OR OTHER MISCELLANEOUS FEES**
21 **SHALL BE BORNE SOLELY BY THE AGENCY. THE**
22 **INSURANCE COMPANY’S LIABILITY SHALL DIMINISH**

1 **PROPORTIONATELY WITH ANY REDUCTION IN THE**
2 **UNEXPIRED PORTION OF THE WORKER’S SALARY;**

3 **“(1-B) THE INSURANCE COMPANY SHALL NOT**
4 **BE LIABLE IF THE RECRUITMENT AGENCY IS NOT**
5 **THE ONE WHO DEPLOYED THE OFW OR SEAFARERS;**

6 “(2) The recruitment/manning agency shall then
7 immediately file a notice of claim with its insurance provider for
8 the amount of liability insured, attaching therewith a copy of the
9 decision or compromise agreement;

10 “(3) Within ten (10) days from the ~~[filing of notice of claim]~~
11 **RECEIPT OF ALL THE REQUIRED DOCUMENTARY**
12 **REQUIREMENTS FOR THE CLAIM,** the insurance company
13 shall make payment to the recruitment/manning agency the
14 amount adjudged ~~[or agreed upon]~~, or the amount of liability
15 insured, whichever is lower. After receiving the insurance
16 payment, the recruitment/manning agency shall immediately pay
17 the migrant worker’s claim in full, taking into account that in case
18 the amount of insurance coverage is insufficient to satisfy the
19 amount adjudged or agreed upon, it is liable to pay the balance
20 thereof;

21 “(4) x x x;

22 “x x x

1 “(7) x x x.

2 “x x x.”

3 **“THE DMW AND THE INSURANCE COMMISSION SHALL**
4 **OVERSEE THE TRANSITION AND ENSURE COMPLIANCE**
5 **WITH THE DIGITALIZATION AND VERIFICATION MANDATE.**
6 **INSURANCE PROVIDERS FAILING TO COMPLY WITH THIS**
7 **MANDATE SHALL BE SUBJECT TO PENALTIES, INCLUDING**
8 **SUSPENSION OF ACCREDITATION FOR OFW-RELATED**
9 **INSURANCE SERVICES AND OTHER REGULATORY ACTIONS**
10 **AS DEEMED NECESSARY.”**

11 SEC. 2. Any law, presidential decree or issuance, executive order, letter of
12 instruction, administrative order, rule, or regulation contrary to or inconsistent
13 with the provisions of this Act are hereby repealed, modified, or amended
14 accordingly.

15 SEC. 3. This Act shall take effect fifteen (15) days after its publication in
16 the *Official Gazette* or in a newspaper of general circulation.

17 Approved,