

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **9588**



Introduced by Representative Reynante U. Arrogancia

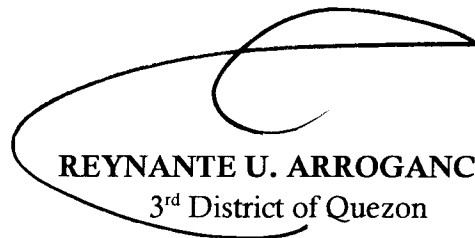
EXPLANATORY NOTE

Article XIII of the 1987 Constitution provides that "The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all."

Construction involves physical labor, heavy equipment and a high-risk of severe or fatal injuries compared to other industries. Given the hazardous nature of this work, there is a dire need to provide an insurance policy which safeguards the worker and their family's financial stability.

This measure seeks to provide accident and life insurance coverage for construction workers across the country. The insurance coverage will 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. It shall be paid by the employer and shall not be deducted from the wages of the construction workers, and shall be reviewed by the Department of Labor and Employment.

Several versions of this bill have been filed since the 18th Congress and it is hoped that in the current Congress, it will finally be passed into a law.



REYNANTE U. ARROGANCIA
3rd District of Quezon

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AN ACT
MANDATING ACCIDENT AND LIFE INSURANCE COVERAGE FOR
CONSTRUCTION WORKERS

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “Construction Workers
2 Insurance Act.”
3

4 **SEC. 2. *Declaration of Policy.*** – It is hereby declared policy of the State to ensure the safety
5 and promote the welfare of construction workers because of their hazardous and
6 dangerous work environment. To this end, it is the intent of this Act to require employers,
7 particularly contractors, of construction workers to provide for mandatory group personal
8 accident insurance coverage to guarantee the quick and efficient delivery of indemnity to
9 injured or killed workers at a reasonable cost to the employers.
10

11 **SEC. 3. *Definition of Terms.*** – For purposes of this Act, the following terms shall be defined
12 as follows:

13 (a) *Construction* covers:

- 14 i. Building, including excavation and the construction, structural alteration,
15 renovation, repair, maintenance (including cleaning and painting), and
16 demolition of all types of buildings or structures; and
17 ii. The erection and dismantling of prefabricated buildings and structures, as well
18 as manufacturing of prefabricated elements on the construction site.

19 (b) *Construction worker* refers to a person engaged in construction who is exposed to
20 considerable risk, danger, or hazard while in the line of work.

21 (c) *Contractor* or *Subcontractor* refers to any entity, individual, or company contracted
22 to undertake a construction project or provide construction services for hire and
23 includes corporations, partnerships, limited liability companies, associations,

groups of persons, state, city, municipality, school district, or any government subdivision.

(d) *Employer* refers to a contractor that employs at least ten (10) construction workers to perform a service for hire;

(e) *Construction Site* refers to any place or location where a building or a structure is being constructed;

(f) *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;

(g) *Group Personal Accident Insurance* refers to a type of insurance offered to a group of people, which provides benefit to the insured individual or their beneficiaries in the event of death, disability, or bodily injury due to an accident during the defined period of insurance coverage;

(h) *Insurance Company* refers to a corporation, partnership, association, duly accredited by the Insurance Commission to provide group personal accident insurance coverage.

SEC. 4. *Mandatory Insurance Coverage.* – All construction workers employed in a construction project or site shall be covered by a group personal accident insurance contract which shall be secured by the employer at no cost to the construction workers. 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.

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

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

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

(a) Natural death;

(b) Accidental death/ death in the line of work;

(c) Permanent Partial dismemberment in the line of work;

(d) Total and Permanent disability in the line of work; and

(e) Medical and hospitalization.

Provided, That the Secretary of Labor and Employment (DOLE) shall regularly review and adjust to inflation such amount every five (5) years, as may be necessary, based on data reported by the Philippine Statistics Authority (PSA).

SEC. 7. *Health Insurance.* – In addition to the compensation that shall accrue to the worker in 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. 8. *Limitations.* – No compensation shall be given to the construction worker or their beneficiaries when the injury, illness, disability, or death was due to any of the following:

- (a) The construction worker's intoxication;
- (b) The construction worker's willful intention to injure or kill oneself or another; or
- (c) The construction worker's gross negligence.

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

- (a) For the first violation, a fine of not less than Two hundred thousand pesos (Php 200,000.00) but not more than Five hundred thousand pesos (Php 500,000.00); and
- (b) For any subsequent violation, a fine of not less than Four hundred thousand pesos (Php 400,000.00) but not more than One million pesos (Php 1,000,000.00).

If the offender is a juridical entity, the officials thereof directly involved in the violation shall be liable. If the offender is an alien or foreigner, they shall be deported immediately upon service of sentence without further proceedings.

Upon filing of the appropriate complaint or information, the DOLE shall request the appropriate local government unit to cancel or revoke the business permit, permit to operate, and other similar privileges granted to any business entity or person that fails to abide by or violates the provisions of this Act.

SEC. 10. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the DOLE shall promulgate the implementing rules and regulations as may be necessary to ensure the efficient and effective implementation of this Act.

SEC. 11. *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. 12. *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. 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,