

NINETEENTH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
First Regular Session]

'22 JUL 25 A11 :38

SENATE

RECEIVED BY: 

S.B. No. 821

Introduced by SEN. WIN GATCHALIAN

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

EXPLANATORY NOTE

The 1987 Constitution declares as a State policy the giving of full protection to labor, local and overseas, organized and unorganized, and the promotion of full employment opportunities for all. It is therefore the duty of Congress to legislate laws that will ensure the protection of the health and the promotion of the well-being of workers.

It is undeniable that the work environment where construction workers ply their craft pose health risks to them. News of accidents is nothing new in construction sites, either through the negligence of the employers, or the employees' lack of skills, or because of pure accident.

Whatever maybe the case, physical harm, disability, or worst, death is often the result. Unfortunately, it is almost always the workers that are left shorthanded after the occurrence of such accidents. Oftentimes, the employer merely offers a measly sum to the family of the deceased worker to compensate for their loss.

To avoid such a disadvantageous scenario for workers, it is the intent of this bill to provide group personal accident insurance coverage for construction workers. The insurance coverage shall compensate a reasonable amount for an accident that will cause the disability or even the death of the worker. This may not completely erase the pain, but it can contribute to alleviate the consequential burdens due to the loss.

In the interest of social justice and equity, support for the passage is earnestly sought.



WIN GATCHALIAN

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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 Philippines
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
5 State to ensure the safety and promote the welfare of construction workers
6 because of the hazardous and dangerous work environment. To this end, it is
7 the intent of this Act to require employers of construction workers to provide
8 for mandatory group personal accident insurance coverage to guarantee the
9 quick and efficient delivery of indemnity to injured workers at a reasonable cost
10 to the employers.

11

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

14 a) The term *Construction* covers:

15 i. Building, including excavation and the construction, structural
16 alteration, renovation, repair, maintenance (including cleaning

1 and painting) and demolition of all types of buildings or structures;
2 and

3 ii. The erection and dismantling of prefabricated buildings and
4 structures, as well as manufacturing of prefabricated elements on
5 the construction site.

6 b) *Construction worker* - refers to a person engaged in construction that
7 is exposed to a considerable risk, danger or hazard while in the line of
8 work.

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

14 d) *Construction Site* - refers to any place or location where a building or
15 a structure is being constructed;

16 e) *Insurance* - refers to a contract wherein one party undertakes to
17 compensate the other for an injury relating to a particular subject as a
18 result of the occurrence of designated hazards;

19 f) *Group Personal Accident Insurance* - refers to a type of insurance
20 coverage offered to a group of people, which provides benefit to the
21 individual or beneficiaries if the covered individual is permanently
22 disabled or dies during the defined insurance covered period resulting
23 from accidental death, disability and injuries;

24 g) *Insurance Company* - a corporation, duly accredited by the Insurance
25 Commission, that provides for the insurance coverage of the construction
26 worker upon payment by the employer of the required insurance
27 premium.

28

29 SEC. 4. *Mandatory Insurance Coverage.* - All construction workers
30 employed in a construction project or site shall be provided a group personal
31 accident insurance coverage by the employer. The duration of the insurance
32 shall start from the commencement of the service of the construction worker

1 until the completion of the construction project or upon the termination of the
2 employment contract.

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

7

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

11

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

15 a) For natural death, the amount of Seventy-five thousand pesos
16 (P75,000.00);

17 b) For accidental death, the amount of One hundred thousand pesos
18 (P100,000.00);

19 c) For death in the line of work, the amount of One hundred fifty
20 thousand pesos (P150,000.00);

21 d) For loss of both hands, the amount of Fifty thousand pesos
22 (P50,000.00);

23 e) For loss of both feet, the amount of Fifty thousand pesos
24 (P50,000.00);

25 f) For loss of sight of both eyes, the amount of Fifty thousand pesos
26 (P50,000.00);

27 g) For loss of one hand and one foot, the amount of Fifty thousand pesos
28 (P50,000.00);

29 h) For loss of one hand and sight of one eye, the amount of Fifty
30 thousand pesos (P50,000.00);

31 i) For loss of one foot and sight of one eye, the amount of Fifty thousand
32 pesos (P50,000.00);

1 j) For loss of one hand or one foot, the amount of Twenty-five thousand
2 pesos (P25,000.00); and

3 k) For loss of sight of one eye, the amount of Twenty-five thousand pesos
4 (P25,000.00).

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

8

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

14

15 SEC. 8. *Limitations.* - No compensation shall be given to the construction
16 worker or his dependents when the injury, illness, disability or death was due
17 to any of the following:

- 18 a) his intoxication;
19 b) his willful intention to injure or kill himself or another; or
20 c) his gross negligence.

21

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

24 a) For the first violation, a fine of not less than Two hundred thousand
25 pesos (P200,000.00) but not more than Five hundred thousand pesos
26 (P500,000.00); and

27 b) For any subsequent violation, a fine of not less than Four hundred
28 thousand pesos (P400,000.00) but not more than One million pesos
29 (P1,000,000.00).

30 If the offender is a corporation, organization or any similar entity, the
31 officials thereof directly involved in the violation shall be liable. If the offender

1 is an alien or foreigner, he shall be deported immediately upon service of
2 sentence without further proceedings.

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

7

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

12

13 SEC. 11. *Separability Clause.* - If any provision of this Act is declared
14 invalid or unconstitutional, the provisions not affected thereby shall remain in
15 full force and effect.

16

17 SEC. 12. *Repealing Clause.* - All laws, presidential decrees, executive
18 orders, presidential proclamations, rules and regulations or parts thereof
19 contrary to or inconsistent with this Act are hereby repealed or modified
20 accordingly.

21

22 SEC. 13. *Effectivity.* - This Act shall take effect fifteen (15) days after its
23 publication in the *Official Gazette* or in a newspaper of general circulation in the
24 Philippines.

Approved,