

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

23 JUL 31 A10 :58

RECEIVED BY: 

SENATE
S. No. 2369

Introduced by: Senator Raffy T. Tulfo

AN ACT
MANDATING HIGHER ACCIDENT AND LIFE INSURANCE COVERAGE FOR
CONSTRUCTION WORKERS AND HOLDING CONTRACTORS LIABLE FOR
WORKPLACE ACCIDENTS

EXPLANATORY NOTE

The construction industry plays a vital role in the economic growth and development of our country, providing employment opportunities to millions of workers. However, it is an unfortunate reality that construction workers face numerous hazards and dangers in their line of work, resulting in accidents, injuries, and even fatalities. It is the duty of the State to prioritize the safety and welfare of these workers, ensuring that they are adequately protected and compensated for the risks they undertake while contributing to the nation's progress.

This proposed bill, titled the "Higher Insurance Coverage and Contractor Liability for Construction Workers Act," aims to address the pressing concerns surrounding the well-being and protection of construction workers by introducing significant changes to their insurance coverage and holding contractors accountable for workplace accidents.

One of the key features of this bill is the mandate for higher accident and life insurance coverage for construction workers. The current coverage amounts offered by insurance policies fall short in providing sufficient financial support to workers and their families in the event of an accident, disability, or even death. This bill proposes to increase

the insurance coverage significantly, ensuring that affected workers and their dependents receive adequate compensation to alleviate the financial burden resulting from workplace accidents.

By elevating the insurance coverage amounts, we demonstrate our commitment to upholding the dignity and rights of construction workers. This measure seeks to enhance their sense of security and peace of mind, knowing that their well-being is prioritized and protected by the State.

Furthermore, this bill aims to address the issue of contractor accountability for workplace accidents. Presently, contractors are not always held liable for accidents that occur on their construction sites, resulting in a lack of incentive to maintain the highest safety standards. To rectify this, the proposed legislation establishes strict liability for contractors, making them directly responsible for providing immediate assistance, including medical attention, and financial compensation to injured workers or their families in case of death. Additionally, to deter negligence and promote responsible conduct, contractors who violate the mandatory insurance coverage and liability provisions will face substantial fines and penalties.

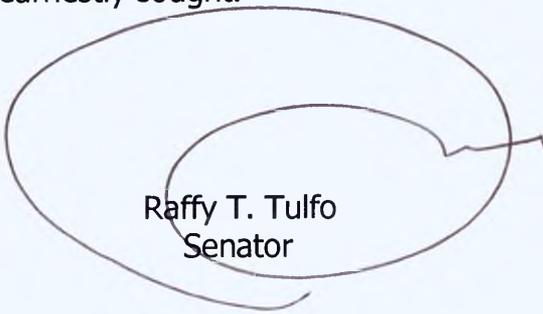
To ensure effective enforcement, this bill proposes blacklisting and barring contractors from engaging in any construction-related projects in the Philippines for a substantial period in cases of repeated violations. This serves as a strong deterrent against negligence and disregard for workers' safety.

In conclusion, the passage of the "Higher Insurance Coverage and Contractor Liability for Construction Workers Act" is of utmost importance as it addresses the critical issues of ensuring adequate protection and compensation for construction workers. By increasing insurance coverage and imposing stricter penalties on contractors, we safeguard the welfare of our workforce, create a culture of accountability in the

construction industry, and affirm our commitment to promoting social justice and worker welfare.

I earnestly seek the support and cooperation of our esteemed colleagues in the Senate to enact this crucial piece of legislation, which embodies our vision for a safer and fairer environment for the workers who build the foundations of our nation's progress.

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



Raffy T. Tulfo
Senator

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

1 SECTION 1. Short Title. - This Act shall be known as the "Higher Insurance
2 Coverage and Contractor Liability for Construction Workers 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 to
7 require employers, particularly contractors, of construction workers to provide for higher
8 mandatory group personal accident insurance coverage and hold them liable for
9 workplace accidents to guarantee the quick and efficient delivery of indemnity to injured
10 workers at a reasonable cost to the employers.

11

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

- 1 a) The term Construction covers:
- 2 i. Building, including excavation and the construction, structural alteration, renovation,
3 repair, maintenance (including cleaning and painting) and demolition of all types of
4 buildings or structures; and
- 5 ii. The erection and dismantling of prefabricated buildings and structures, as well as
6 manufacturing of prefabricated elements on the construction site.
- 7
- 8 b) Construction worker - refers to a person engaged in construction that is exposed to
9 considerable risk, danger, or hazard while in the line of work.
- 10
- 11 c) Contractor - refers to any entity, individual, or company contracted to undertake a
12 construction project or provide construction services for hire and includes corporations,
13 partnerships, limited liability companies, associations, groups of persons, state, city,
14 municipality, school district, or any government subdivision;
- 15
- 16 d) Construction Site - refers to any place or location where a building or a structure is
17 being constructed;
- 18
- 19 e) Insurance - refers to a contract wherein one party undertakes to compensate the other
20 for an injury relating to a particular subject as a result of the occurrence of designated
21 hazards;
- 22
- 23 f) Group Personal Accident Insurance - refers to a type of insurance coverage offered to
24 a group of people, which provides benefit to the individual or beneficiaries if the covered
25 individual is permanently disabled or dies during the defined insurance covered period
26 resulting from accidental death, disability, and injuries;
- 27
- 28 g) Insurance Company - a corporation, duly accredited by the Insurance Commission,
29 that provides for the insurance coverage of the construction worker upon payment by the
30 employer of the required insurance premium.

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

7
8 The insurance coverage mandated by this Act shall be higher and shall provide for
9 financial assistance, including, but not limited to, the following:

- 10
11 a) For natural death, the amount of One hundred fifty thousand pesos (P150,000.00);
12 b) For accidental death, the amount of Two hundred fifty thousand pesos (P250,000.00);
13 c) For death in the line of work, the amount of Three hundred fifty thousand pesos
14 (P350,000.00);
15 d) For loss of both hands, the amount of One hundred twenty-five thousand pesos
16 (P125,000.00);
17 e) For loss of both feet, the amount of One hundred twenty-five thousand pesos
18 (P125,000.00);
19 f) For the loss of sight of both eyes, the amount of One hundred twenty-five thousand
20 pesos (P125,000.00);
21 g) For the loss of one hand and one foot, the amount of One hundred twenty-five
22 thousand pesos (P125,000.00);
23 h) For the loss of one hand and the sight of one eye, the amount of One hundred twenty-
24 five thousand pesos (P125,000.00);
25 i) For the loss of one foot and sight of one eye, the amount of One hundred twenty-five
26 thousand pesos (P125,000.00);
27 j) For the loss of one hand or one foot, the amount of Seventy-five thousand pesos
28 (P75,000.00); and
29 k) For the loss of sight of one eye, the amount of Seventy-five thousand pesos
30 (P75,000.00).

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

4
5 SEC. 5. Health Insurance. - In addition to the compensation that shall accrue to
6 the worker in the preceding section, every construction worker shall likewise be entitled
7 to receive fair and prompt medical benefits in cases where the illness is directly
8 attributable to or was developed in the course of employment. This is meant to cover loss
9 of wages due to workplace exposure.

10
11 SEC. 6. Contractor Liability for Workplace Accidents. - Contractors shall be held
12 strictly liable for workplace accidents involving their employed construction workers. In
13 the event of an accident resulting in injury or death, the contractor shall be responsible
14 for providing immediate assistance, including medical attention, and financial
15 compensation to the affected worker or the worker's family.

16
17 SEC. 7. Penalties. - Any contractor who fails to comply with the mandatory
18 insurance coverage and contractor liability provisions of this Act shall, upon conviction,
19 suffer the following penalties:

- 20
21 a) For the first violation, a fine of not less than Three hundred thousand pesos
22 (P300,000.00) but not more than Five hundred thousand pesos (P500,000.00); and
23 b) For any subsequent violation, a fine of not less than Five hundred thousand pesos
24 (P500,000.00) but not more than One million pesos (P1,000,000.00).

25
26 If the offender is an alien or foreigner, he shall be deported immediately upon service of
27 sentence without further proceedings.

28
29 Upon filing of the appropriate complaint or information, the SOLE shall request the
30 appropriate local government unit to cancel or revoke the business permit, permit to

1 operate, and other similar privileges granted to any contractor that fails to abide by or
2 violates the provisions of this Act. The contractor shall also be blacklisted and barred from
3 engaging in any construction-related projects in the Philippines for a period of not less
4 than five (5) years from the date of the conviction.

5

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

9

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

12

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

16

17 SEC. 11. Effectivity. - This Act shall take effect fifteen (15) days after its publication
18 in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,