



SENATE

'19 JUL 24 A11 :51

S. B. No. 741

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Introduced by SEN. SHERWIN T. GATCHALIAN

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

EXPLANATORY NOTE

Section 3, 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 opportunities for all.*" It is therefore the duty of Congress to legislate laws that will ensure the health and well-being of workers.

The State recognizes the hazardous environment where construction workers ply their craft. News of accidents is nothing new in construction sites, either through the negligence of the employer or the employee's lack of skill. Whatever the case, physical harm, disability, or worst, death is often the result.

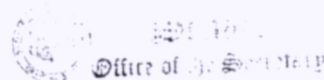
Unfortunately, it is almost always the workers that are left short-handed after the occurrence of such accidents. Oftentimes, the employer

merely offers a measly sum to the family of the deceased worker to compensate for their loss. To avoid such a disastrous state, 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 the death of the worker. This may not completely erase the pain, but it surely will not hurt to alleviate the loss.

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



SHERWIN T. GATCHALIAN



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

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

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

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

12 a) The term *Construction* covers:

1 i. Building, including excavation and the construction, structural
2 alteration, renovation, repair, maintenance (including cleaning and painting)
3 and demolition of all types of buildings or structures; and

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

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

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

15 c) *Construction site* refers to any place or location where a building
16 or a structure is being constructed;

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

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

25 f) *Insurance company* is a corporation, duly accredited by the
26 Insurance Commission that provides for the insurance coverage of the
27 construction worker upon payment by the employer of the required
28 insurance premium.

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

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

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

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

- 17 a) For natural death, the amount of Seventy five thousand pesos
18 (P75,000.00);
- 19 b) For accidental death, the amount of One hundred thousand
20 pesos (P100,000.00);
- 21 c) For death in the line of work, the amount of One hundred fifty
22 thousand pesos (P150,000.00);
- 23 d) For loss of both hands, the amount of Fifty thousand pesos
24 (P50,000.00);
- 25 e) For loss of both feet, the amount of Fifty thousand pesos
26 (P50,000.00);
- 27 f) For loss of sight of both eyes, the amount of Fifty thousand
28 pesos (P50,000.00);

- 1 g) For loss of one hand and one foot, the amount of Fifty thousand
2 pesos (P50,000.00);
- 3 h) For loss of one hand and sight of one eye, the amount of Fifty
4 thousand pesos (P50,000.00);
- 5 i) For loss of one foot and sight of one eye, the amount of Fifty
6 thousand pesos (P50,000.00);
- 7 j) For loss of one hand or one foot, the amount of Twenty five
8 thousand pesos (P25,000.00); and
- 9 k) For loss of sight of one eye, the amount of Twenty five thousand
10 pesos (P25,000.00).

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

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

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

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

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

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

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

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

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

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

14 SEC. 11. **Separability Clause.** – Should any part of this Act be
15 declared unconstitutional, the rest of the provisions of this Act shall continue
16 to be in effect and subsisting.

17 SEC. 12. **Repealing Clause.** – The provisions of other laws, decrees,
18 executive orders, rules and regulations inconsistent with this Act are hereby
19 repealed, amended, or modified accordingly.

20 SEC. 13. **Effectivity.** – This Act shall take effect fifteen (15) days after
21 its publication in the *Official Gazette* or in at least two (2) national
22 newspapers of general circulation.

Approved,