

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



'16 AUG, -8 P5:34

RECORDED BY: *[Signature]*

SENATE  
S.B. No. 1007

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Introduced by SEN. WIN GATCHALIAN

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

EXPLANATORY NOTE

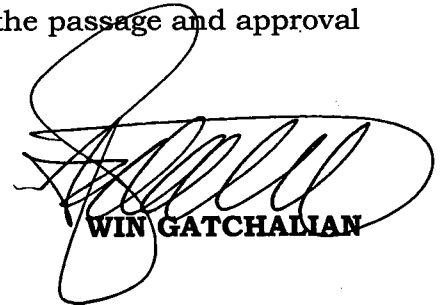
Section 3, Article XIII of the 1987 Constitution provides that *"The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment opportunities for all."* It is therefore the duty of Congress to legislate laws that will ensure the health and 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.



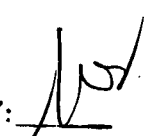
**WIN GATCHALIAN**

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Senate  
Office of the Secretary

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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 Workers*  
2 *Insurance Act.*”

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

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

11 a) The term *Construction* covers:

1           i. Building, including excavation and the construction, structural  
2 alteration, renovation, repair, maintenance (including cleaning and  
3 painting) 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  
6 the construction site.

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

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

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

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

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

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

27       **SEC. 4. *Mandatory Insurance Coverage.*** – All construction workers employed  
28 in a construction project or site shall be provided a group personal accident insurance  
29 coverage by the employer. The duration of the insurance shall start from the

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

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

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

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

- 13 a) For natural death, the amount of Seventy five thousand, pesos  
14 (P75,000.00);
- 15 b) For accidental death, the amount of One hundred thousand pesos  
16 (P100,000.00);
- 17 c) For death in the line of work, the amount of One hundred fifty thousand  
18 pesos (P150,000.00);
- 19 d) For loss of both hands, the amount of Fifty thousand pesos (P50,000.00);
- 20 e) For loss of both feet, the amount of Fifty thousand pesos (P50,000.00);
- 21 f) For loss of sight of both eyes, the amount of Fifty thousand pesos  
22 (P50,000.00);
- 23 g) For loss of one hand and one foot, the amount of Fifty thousand pesos  
24 (P50,000.00);
- 25 h) For loss of one hand and sight of one eye, the amount of Fifty thousand  
26 pesos (P50,000.00);

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

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

5 k) For loss of sight of one eye, the amount of Twenty five thousand pesos  
6 (P25,000.00).

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

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

15 a) his intoxication;

16 b) his wilful intention to injure or kill himself or another; or

17 c) his gross negligence.

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

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

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

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

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

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

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

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

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

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

*Approved,*