

**TWENTIETH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES**  
*First Regular Session*

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25 AUG -7 P2:56

**SENATE**

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**S.B. No. 1108**

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**Introduced by SEN. WIN GATCHALIAN**

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

**EXPLANATORY NOTE**

Under the 1987 Constitution, it is the policy of the State to afford full protection to labor, local and overseas, organized and unorganized, and to promote full employment and equality of employment opportunities for all. It is therefore the duty of Congress to craft laws that will ensure the protection of the life and health of workers, as well as the promotion of their wellbeing.


With infrastructure development being a key driver of economic growth, it is undeniable how crucial the role of construction workers are in sustaining economic progress and promoting the efficient delivery of public services. However, as much as the work construction workers do is essential in sustaining our country and economy, it is undeniable that their work environment poses risks and dangers not only to their health, but also to their lives. Accidents, be it through employer negligence, lack of skill of employees, or pure circumstance, are nothing new in construction sites.

Regardless of cause, construction workers often find themselves at high risk of work-related physical harm, disability, or in the most unfortunate circumstances, death. Unfortunately, in cases like these, it is almost always the construction workers and their families that are left shorthanded. Often, employers offer a measly sum to the construction worker and their family as compensation.

In order to protect construction workers from such disproportionately disadvantageous situations, this proposed measure seeks to mandate all construction workers employed in construction projects or sites to be covered by a group personal accident insurance contract, which shall be secured by the employer at no cost to the construction workers. This measure aims to provide minimum insurance coverage to indemnify construction workers or their beneficiaries in case of death, disability, or bodily injury due to an accident during the construction workers' employment.

To ensure compliance of all contractors and subcontractors, this bill likewise imposes penalty for violations, ranging from the imposition of a fine to revocation of business permit or permit to operate. While these mechanisms will not completely erase the pain caused by work-related disability or death, these can alleviate the financial burden brought about by work-related accidents to construction workers and their families.

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



**WIN GATCHALIAN**

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*[Signature]*

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

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

12       (a) *Construction* covers:

13               (i) Building, including excavation and the construction, structural  
14 alteration, renovation, repair, maintenance (including cleaning and  
15 painting), and demolition of all types of buildings or structures; and

(ii) The erection and dismantling of prefabricated buildings and structures, as well as manufacturing of prefabricated elements on the construction site.

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

(c) *Contractor* or *Subcontractor* refers to any entity, individual, or company contracted to undertake a construction project or provide construction services for hire and 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 or a subcontractor 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 whereby one undertakes for a consideration to indemnify another against loss, damage or liability arising from an unknown or contingent event;

(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, or 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,

1 decrees, executive orders, company policy or practice, or any agreement or  
2 contract between the employer and employees.

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

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

- 9       (a) For natural death, the amount of Seventy-five thousand pesos (Php  
10       75,000.00);
- 11       (b) For accidental death, the amount of One hundred thousand pesos (Php  
12       100,000.00);
- 13       (c) For death in the line of work, the amount of One hundred fifty thousand  
14       pesos (Php 150,000.00);
- 15       (d) For loss of both hands, the amount of Fifty thousand pesos (Php  
16       50,000.00);
- 17       (e) For loss of both feet, the amount of Fifty thousand pesos (Php 50,000.00);
- 18       (f) For loss of sight of both eyes, the amount of Fifty thousand pesos (Php  
19       50,000.00);
- 20       (g) For loss of one hand and one foot, the amount of Fifty thousand pesos  
21       (Php 50,000.00);
- 22       (h) For loss of one hand and sight of one eye, the amount of Fifty thousand  
23       pesos (Php 50,000.00);
- 24       (i) For loss of one foot and sight of one eye, the amount of Fifty thousand  
25       pesos (Php 50,000.00);
- 26       (j) For loss of one hand or one foot, the amount of Twenty-five thousand  
27       pesos (Php 25,000.00); and
- 28       (k) For loss of sight of one eye, the amount of Twenty-five thousand pesos  
29       (Php 25,000.00).

30       *Provided,* That the Secretary of Labor and Employment (SOLE) shall  
31 regularly review and adjust to inflation such amounts every five (5) years, as



1 may be necessary, based on data reported by the Philippine Statistics Authority  
2 (PSA).

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

8       **SEC. 8. Limitations.** – No compensation shall be given to the  
9 construction worker or their beneficiaries when the injury, illness, disability, or  
10 death was due to any of the following:

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

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

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

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

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

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

5       **SEC. 11. *Separability Clause.*** – If any provision of this Act is declared  
6 invalid or unconstitutional, the provisions not affected thereby shall remain in  
7 full force and effect.

8       **SEC. 12. *Repealing Clause.*** – All laws, presidential decrees, executive  
9 orders, presidential proclamations, rules and regulations or parts thereof  
10 contrary to or inconsistent with this Act are hereby repealed or modified  
11 accordingly.

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

*Approved,*