

# Office of Sen. Manny Villar

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**News Release**  
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### **Villar asks Insurance Commission for lack of information about mandatory insurance for OFWs**

Sen. Manny Villar chided the Insurance Commission for its failure to embark on a public information campaign about the mandatory insurance coverage for overseas Filipino workers, many of whom do not understand the benefits accruing from it.

Villar, who has his own Sagip-OFW program to help distressed workers, noted that big business is being made out of the mandatory insurance coverage for OFWs yet a majority of those leaving the country are unaware of the benefits inherent in their insurance policy.

“The Insurance Commission appears to be sleeping on the job when it comes to informing the OFW sector about the mandatory insurance for overseas workers. This is very unfortunate because several stranded OFWs may be able to come home immediately if they only know more about how the mandatory insurance scheme works,” the Senate’s leading OFW advocate stressed.

Under Republic Act No. 10022, all licensed recruitment agencies must pay for the mandatory insurance coverage of new-hired OFWs that would include life and non-life coverage. The recruitment agencies are mandated to explain the insurance policy to the workers they are about to deploy overseas. The range of benefits of said insurance coverage includes free repatriation when an OFW’s contract is unjustly terminated by the employer; death and disability benefits; medical evacuation; subsistence allowance for every month for six months that a worker is involved in litigation to defend his or her rights as a migrant worker, etc.

“The Insurance Commission which is in charge of all private insurance companies should immediately mount a public information campaign aimed at empowering our OFWs with information about their insurance coverage,” Villar said, adding that the Commission should open its own public assistance desk at the POEA and OWWA.

He also expressed concern that some unscrupulous licensed agencies have begun passing the cost of mandatory insurance to overseas job applicants. “Our Sagip-OFW office has received information that some agencies have been asking the workers to advance the cost of the insurance coverage. Unfortunately, these workers were unaware of their rights because this particular provision of the law seems to be shrouded in silence,” the senator added.

Under Section 37 of RA 10022, any recruitment agency that is found to have passed on the cost of the mandatory insurance to an overseas worker faces the immediate cancellation of its license and the perpetual disqualification of its directors, proprietors, officers and employees from engaging in the business of recruitment.

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**For Reference:**

Republic Act No. 10022 states:

SEC. 37-A. Compulsory Insurance Coverage for Agency-Hired Workers. - In addition to the performance bond to be filed by the recruitment/ manning agency under Section 10, each migrant worker deployed by a recruitment/ manning agency shall be covered by a compulsory insurance policy which shall be secured at no cost to the said worker. Such insurance policy shall be effective for the duration of the migrant worker's employment and shall cover, at the minimum:

"(a) Accidental death, with at least Fifteen thousand United States dollars (US\$10,000.00) survivor's benefit payable to the migrant worker's beneficiaries;

"(c) Permanent total disablement, with at least Seven thousand five hundred United States dollars (US\$7,500.00) disability benefit payable to the migrant worker. The following disabilities shall be deemed permanent: total, complete loss of sight of both eyes; loss of two(2) limbs at or above the ankles or wrists; permanent complete paralysis of two (2) limbs; brain injury resulting to incurable imbecility or insanity;

**"(d) Repatriation cost of the worker when his/her employment is terminated without any valid cause, including the transport of his or her personal belongings. (underscoringsupplied)** In case of death, the insurance provider shall arrange and pay for the repatriation or return of the worker's remains. The insurance provider shall also render any assistance necessary in the transport including, but not limited to, locating a local licensed funeral home, mortuary or direct disposition facility to prepare the body for transport, completing all documentation, obtaining legal clearances, procuring consular services, providing necessary casket or air transport container, as well as transporting the remains including retrieval from site of death and delivery to the receiving funeral home;

"(e) Subsistence allowance benefit, with at least One hundred United States dollars (US\$100.00) Per month for a maximum of six (6) months for a migrant worker who is involved in a case or litigation for the protection of his/her rights in the receiving country;

"(f) Money claims arising from employer's liability which may be awarded or given to the worker in a judgment or settlement of his or her case in the NLRC. The insurance coverage for money claims shall be equivalent to at least three (3) months for every year of the migrant worker's employment contract;

"In addition to the above coverage, the insurance policy shall also include:

"(g) Compassionate visit. When a migrant worker is hospitalized and has been confined for at least seven (7) consecutive days, he shall be entitled to a compassionate visit by one (1) family member or a requested individual. The insurance company shall pay for the transportation cost of the family member or requested individual to the major airport closest to the place of hospitalization of the worker. It is, however, the responsibility of the family member or requested individual to meet all visa and travel document requirements;

"(h) Medical evacuation. When an adequate medical facility is not available proximate to the migrant worker, as determined by the insurance company's physician and/or a consulting physician, evacuation under appropriate medical supervision by the mode of transport

necessary shall be undertaken by the insurance provider; and

"(i) Medical repatriation. When medically necessary as determined by the attending physician, repatriation under medical supervision to the migrant worker's residence shall be undertaken by the insurance provider at such time that the migrant worker is medically cleared for travel by commercial carrier. If the period to receive medical clearance to travel exceeds fourteen (14) days from the date of discharge from the hospital, an alternative appropriate mode of transportation, such as air ambulance, may be arranged. Medical and non-medical escorts may be provided when necessary.

"Only reputable private insurance companies duly registered with the Insurance Commission (IC) , which are in existence and operational for at least Five hundred million pesos (P500,000,000. 00) to be determined by the IC, and with a current year certificate of authority shall be qualified to provide for the worker's insurance coverage. Insurance companies who have directors, partners, officers, employees or agents with relatives, within the fourth civil degree of consanguinity or affinity, who work or have interest in any of the licensed recruitment/ manning agencies or in any of the government agencies involved in the overseas employment program shall be disqualified from providing this workers' insurance coverage.

"The recruitment/ manning agency shall have the right to choose from any of the qualified insurance providers the company that will insure the migrant worker it will deploy. After procuring such insurance policy, the recruitment/ manning agency shall provide an authenticated copy thereof to the migrant worker. It shall then submit the certificate of insurance coverage of the migrant worker to POEA as a requirement for the issuance of an Overseas Employment Certificate (OEC) to the migrant worker. In the case of seafarers who are insured under policies issued by foreign insurance companies, the POEA shall accept certificates or other proofs of cover from recruitment/ manning agencies: Provided, That the minimum coverage under sub-paragraphs (a) to (i) are included therein.

"Any person having a claim upon the policy issued pursuant to subparagraphs (a), (b), (c), (d) and (e) of this section shall present to the insurance company concerned a written notice of claim together with pertinent supporting documents. The insurance company shall forthwith ascertain the truth and extent of the claim and make payment within ten (10) days from the filing of the notice of claim.

"Any claim arising from accidental death, natural death or disablement under this section shall be paid by the insurance company without any contest and without the necessity of providing fault or negligence of any kind on the part of the insured migrant worker: Provided, That the following documents, duly authenticated by the Philippine foreign posts, shall be sufficient evidence to substantiate the claim:

"(1) Death Certificate - In case of natural or accidental death;

"(2) Police or Accident Report - In case of accidental death; and

"(3) Medical Certificate - In case of permanent disablement;

"For repatriation under subparagraph (d) hereof, a certification which states the reason/s for the termination of the migrant worker's employment and the need for his or her repatriation shall be issued by the Philippine foreign post or the Philippine Overseas Labor Office (POLO)

located in the receiving country.

"For subsistence allowance benefit under subparagraph (e), the concerned labor attaché or, in his absence, the embassy or consular official shall issue a certification which states the name of the case, the names of the parties and the nature of the cause of action of the migrant worker.

"For the payment of money claims under subparagraph (f), the following rules shall govern:

"(1) After a decision has become final and executor or a settlement/compromise agreement has been reached between the parties at the NLRC, an order shall be released mandating the respondent recruitment/ manning agency to pay the amount adjudged or agreed upon within thirty (30) days;

"(2) The recruitment/ manning agency shall then immediately file a notice of claim with its insurance provider for the amount of liability insured, attaching therewith a copy of the decision or compromise agreement;

"(3) Within ten (10) days from the filing of notice of claim, the insurance company shall make payment to the recruitment/ manning agency the amount adjudged or agreed upon, or the amount of liability insured, whichever is lower. After receiving the insurance payment, the recruitment/ manning agency shall immediately pay the migrant worker's claim in full, taking into account that in case the amount of insurance coverage is insufficient to satisfy the amount adjudged or agreed upon, it is liable to pay the balance thereof;

"(4) In case the insurance company fails to make payment within ten (10) days from the filing of the claim, the recruitment/ manning agency shall pay the amount adjudged or agreed upon within the remaining days of the thirty (30)-day period, as provided in the first subparagraph hereof;

"(5) If the worker's claim was not settled within the aforesaid thirty (30)-day period, the recruitment/ manning agency's performance bond or escrow deposit shall be forthwith garnished to satisfy the migrant worker's claim;

"(6) The provision of compulsory worker's insurance under this section shall not affect the joint and solidary liability of the foreign employer and the recruitment/ manning agency under Section 10;

"(7) Lawyers for the insurance companies, unless the latter is impleaded, shall be prohibited to appear before the NLRC in money claims cases under this section.

"Any question or dispute in the enforcement of any insurance policy issued under this section shall be brought before the IC for mediation or adjudication.

**"In case it is shown by substantial evidence before the POEA that the migrant worker who was deployed by a licensed recruitment/ manning agency has paid for the premium or the cost of the insurance coverage or that the said insurance coverage was used as basis by the recruitment/ manning agency to claim any additional fee from the migrant worker, the said licensed recruitment/ manning agency shall lose its license and all its directors, partners, proprietors, officers and employees shall be perpetually disqualified from engaging in the business of recruitment of overseas workers. Such penalty is without prejudice to any other liability, which such persons may have incurred under existing laws, rules or regulations." (underscoring supplied)**

