

**INSURANCE GUIDELINES ON RULE XVI OF THE OMNIBUS
RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT 8042
(THE MIGRANT WORKERS AND OVERSEAS FILIPINOS ACT OF
1995), AS AMENDED BY REPUBLIC ACT 10022 RELATIVE TO
COMPULSORY INSURANCE COVERAGE FOR AGENCY-HIRED
OVERSEAS FILIPINO WORKERS**

AUTHORITY

Pursuant to the authority vested by law in the Insurance Commission (IC), the Department of Labor and Employment (DOLE), the Philippine Overseas Employment Administration (POEA) and the National Labor Relations Commission (NLRC) and in compliance with Section 15, Rule XVI of the Omnibus Rules and Regulations Implementing Republic Act 8042 as amended by Republic Act 10022, the following Insurance Guidelines which should be read with reference to the Omnibus Rules are hereby promulgated.

**GUIDELINE I
GENERAL PROVISIONS**

Section 1. Policy Statement and General Principles

(a) It is the policy of the State to afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all and to provide adequate and timely social, economic and legal services to Filipino migrant workers.

(b) It is the policy of the State to provide adequate protection to the overseas Filipino workers (OFWs) by ensuring coverage under the compulsory insurance requirement in Section 37-A of the Migrant Workers and Overseas Filipinos Act of 1995, as amended. This mandatory insurance coverage of OFWs is exceptionally different and distinct from the ordinary and usual insurance contracts provided by insurance providers in the Philippines.

(c) It is the policy of the State to ensure the due execution and performance of insurance contracts not only for the sound development of the national economy and business enterprises but also for the protection of the interests and welfare of the OFWs and their families. This is because insurance is imbued with public interest.

Section 2. Rules on Interpretation

The terms and conditions of the policy issued in favor of the OFWs in compliance with the Migrant Workers and Overseas Filipinos Act of 1995, as amended, are liberally construed in favor of the insured. All ambiguities in an insurance contract are construed against the insurer and are resolved in favor of coverage.

Section 3. Migrant Workers Covered

Each migrant worker to be deployed by a recruitment/manning agency shall be covered by a compulsory insurance contract which shall be secured at no cost to the said worker.

Seafarers already covered by entities providing indemnity cover to the vessel pursuant to Section 5, Rule XVI of the Omnibus Rules shall be governed by pertinent POEA Rules and Regulations and the POEA-Standard Employment Contract for Seafarers. These Guidelines shall apply to principals/shipowners which obtained insurance cover from local insurance companies.

GUIDELINE II DEFINITION OF TERMS

Whenever used in these Insurance Guidelines, the following terms shall have their respective meanings hereinafter defined:

- (a) Act – the “Migrant Workers and Overseas Filipinos Act of 1995” or Republic Act 8042 as amended by Republic Acts 9422 and 10022.
- (b) Certificate of Authority (CA) – the license issued by the IC to an insurance company authorized to transact insurance business.
- (c) Composite insurance company – an insurance company duly authorized by the IC to issue both life and non-life insurance policies.
- (d) Insurance Contract - an agreement whereby one undertakes for a consideration to indemnify another against loss, damage or liability arising from an unknown or contingent event.
- (e) Insurer or Insurance Provider - one that makes, proposes or provides an insurance contract.
- (f) Life insurance company – an insurance company authorized to issue life insurance policies.
- (g) Migrant Workers’ Compulsory Insurance Coverage –the compulsory insurance policy bought by the recruitment/manning agency from a reputable insurance company duly authorized by the Insurance Commission in favor of a migrant worker with the minimum coverage enumerated under Section 37-A of the Act;
- (h) Non-life insurance company – an insurance company authorized to issue non-life insurance policies.
- (i) Omnibus Rules – the Implementing Rules and Regulations (IRR) of the Act.

All other terms not defined in these Insurance Guidelines shall have their respective meanings defined in the Omnibus Rules. Hence, these Insurance Guidelines must be read with reference to the Definition of Terms under the Omnibus Rules.

GUIDELINE III QUALIFICATIONS OF PARTICIPATING INSURERS

Section 1. General Qualifications

Only reputable private life, non-life and composite insurance companies duly licensed by IC which are in existence and operational for at least five (5) years, with a net worth of at least Five Hundred Million Pesos (Php500,000,000.00) based on the audited financial statements for the immediately preceding year, with a current year certificate of

authority, and with an IC-approved standard policy, shall be qualified to provide for the Migrant Workers' Compulsory Insurance Coverage.

Section 2. Disqualification.

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 the migrant worker's insurance coverage. It shall be the duty of the said directors, partners, officers, employees or agents to disclose any such interest to the IC and POEA.

Section 3. Scope of Writing Authority

The following shall be written only by life insurance companies:

- a) Natural death insurance with a supplementary accidental death and permanent total disablement benefits.

The following shall be written only by non-life insurance companies:

- a) Permanent total disablement insurance;
- b) Repatriation cost insurance;
- c) Subsistence allowance insurance;
- d) Money claims insurance;
- e) Compassionate visit insurance;
- f) Medical evacuation insurance; and
- g) Medical repatriation insurance.

Accidental death insurance may be written by both life and non-life companies.

Composite insurance companies may write all of the above insurance coverages.

Section 4. Specific Qualifications

A. Computer and Other Services

The insurance provider must possess the capability of a fully computerized operation on an on-line, real-time basis of its transactions. For this purpose, the IC must be equipped with a computerized monitoring link of all the insurance provider's transactions including complaints, payment of benefits, and remittance of taxes due the government.

B. Representative Office Requirements

The insurance provider must have branches near the vicinity where the POEA offices are located all over the country.

C. Accessible Hotlines/Assistance Centers

The insurance providers must have an established 24-hour call/assistance centers to provide immediate assistance and entertain complaints and inquiries from migrant workers and/or their beneficiaries, recruitment/manning agencies, and other stakeholders. These providers must have an established agreement with international assistance providers that have access in all the countries where the migrant workers are located.

Further, these insurance companies must have their own company representatives stationed in host countries to provide in-country assistance for claims servicing of the migrant workers relative to their insurance coverage, in the following cases:

(1) In countries where the migrant workers insured under the program numbering at least twenty thousand (20,000) are located. Such representatives shall be stationed near the vicinity where POLO offices, if any, are located;

(2) In countries with more than one POLO, there shall be as many representatives as there are POLOs provided that the number of migrant workers insured under the program reaches at least forty thousand (40,000) in the host country; and

(3) In circumstances other than the preceding subparagraphs (1) and (2), where the presence of a company representative is necessary as determined by the Inter-Agency Committee created under these Guidelines.

GUIDELINE IV ACCREDITATION OF INSURERS

Section 1. General Requirements

The IC shall furnish the POEA a list of insurance providers qualified to provide the mandatory insurance coverage. Said list must be updated every time an inclusion or disqualification is made by the IC.

Each qualified insurance provider shall be issued a certification that it is authorized to issue the compulsory insurance. The Certification shall be displayed prominently in the main and representative offices of the insurance provider.

The POEA shall not issue an Overseas Employment Certificate (OEC) or any equivalent clearance to the OFW if the insurance contract bears the name of an insurance company not included in the list of qualified insurance providers furnished by the IC.

Section 2. Exclusive Option

The recruitment/manning agency shall have the right to choose from any of the qualified insurance providers that will insure the migrant worker it will deploy.

No government agency shall direct, dictate, interfere or influence, in any way, any recruitment/manning agency in choosing or selecting from any accredited insurance company for the mandatory insurance coverage of its OFWs. A violation of this provision by any government official or employee shall be subject to proper administrative penalties under the Code of Ethical Standards for Government Employees, the Anti-Graft and Corruption Law and other relevant laws.

Section 3. Joint Assessment by DOLE and IC

At the end of every year, the DOLE and the IC shall jointly make an assessment of the performance of all insurance providers, based upon the report of NLRC and POEA on their respective interactions and experiences with insurance companies, and they shall have the authority to ban or blacklist such insurance companies which are known to be evasive or not responsive to the legitimate claims of migrant workers. The DOLE shall include such assessment in its year-end report to Congress.

Based on the joint DOLE and IC assessment, the IC shall have the authority to ban, blacklist, disqualify or revoke the accreditation of the insurance provider.

The IC shall have the duty to see that all laws relating to insurance, insurance companies and other insurance matters are faithfully executed and to perform the duties imposed upon it by the Guidelines. It may issue such rulings, instructions, circulars, orders and decisions as it may deem necessary to secure the enforcement of the provisions of these Guidelines. Moreover, IC is hereby authorized, at its discretion, to impose upon insurance companies, their directors and/or officers and/or agents, for any willful failure or refusal to comply with, or violation of any provision of these Guidelines, or any order, instruction, regulation, or ruling of the IC, or any commission of irregularities, and/or conducting business in an unsafe or unsound manner as may be determined by the IC, the following:

- (a) fines; and
- (b) suspension, or after due hearing, removal of directors and/or officers and/or agents.

GUIDELINE V POLICY FORMS

Section 1. Approval of Policy Forms

In accordance with Section 226 of the Insurance Code, no policy, certificate or contract of insurance, application form, rider, clause, warranty or endorsement to be used under the Act shall be issued without the approval of the IC. The use of an unauthorized policy format shall result in the disqualification of the participating insurance provider.

For control purposes, every policy, whether individual or master policy and certificate of cover, must have a special serial number.

Section 2. Application Form and Title of the Policy

There shall be an application form which shall form part of the insurance policy.

The policy shall be uniformly labeled as “COMPULSORY INSURANCE COVERAGE FOR AGENCY-HIRED MIGRANT WORKERS”.

Insurers shall be uniformly called “insurance providers”. The migrant worker insured under the program shall be uniformly called “insured migrant worker”. All other relevant terms used in the policy must be sufficiently defined in the policy in understandable language and avoiding, as much as possible, the use of technical terms.

The policy should mention that in enforcing the migrant worker’s rights, reference may be made to Section 23 of RA 10022, Rule XVI of its Omnibus Rules, and these Insurance Guidelines.

Sec 3. Policy Duration, Coverage and Benefits

Such insurance policy shall be effective for the duration of the migrant worker’s employment contract, and shall cover, at the minimum the benefits mentioned in Guideline VII of these Insurance Guidelines. In case of group insurance, a Proof of Cover, which shall also be pre-approved by the IC, shall be issued to the individual insured migrant worker. The policy shall state that the monetary benefits shall be directly payable to the insured migrant workers or their beneficiaries, as the case may be.

Sec 4. Premium Rate

The premium rate for insurance shall be clearly stated in the policy, separately showing the purely insurance premium, taxes and other allowed charges in accordance with the provisions of Guideline VIII of these Insurance Guidelines. It shall also be clearly stated that the premium is payable by the recruitment/manning agency and not by the insured migrant worker.

Section 5. Accessibility of the Master Policy

In case of group insurance, the following statement must appear on the face of the Proof of Cover:

“The master policy may be viewed at and printed thru any of the websites of the IC, POEA, insurance providers and recruitment agencies.”

Section 6. Authorized Signatories to the Policy

The policy shall be signed by the President of the insurance provider. It shall be countersigned by the president of the recruitment/manning agency.

Section 7. Non-Applicability of the Incontestable and Suicide Clauses

The incontestable and suicide clauses under the Insurance Code shall not apply to compulsory life insurance coverage under the Act.

Section 8. Place of Payment of Claims

Claims shall be paid at the home office of the insurance provider or in any of its branches or assistance centers, taking into consideration the circumstances of the insured migrant worker or the beneficiary at the time of payment.

Section 9. Legal Remedies

The policy shall provide for the legal remedy of the insured migrant workers and other affected parties in case they intend to dispute the non-payment or short-payment of their benefits, with specific reference to the provisions of Guideline X of these Insurance Guidelines. It shall contain the following important notice clause:

“The Insurance Commission of the Philippines, with offices in Manila, Cebu, and Davao, is the government office in charge of the enforcement of all laws relating to insurance companies. It is ready at all times to render assistance in settling any controversy between an insurance company and an insured migrant worker or beneficiaries relating to insurance matters. The POEA and the POLO may likewise assist the insured migrant workers in submitting their complaints to the IC.”

Section 10. Additional Clauses

Each additional clause to be introduced by the insurance provider shall also be subject to the prior approval of the IC.

Section 11. Interpretation

In case of doubt, the provisions of the policy shall be interpreted liberally in favor of the migrant workers and in accordance with the intent of the Act, its Omnibus Rules and these Insurance Guidelines.

GUIDELINE VI PREMIUM RATE AND PAYMENT

Section 1. Premium Rates

Premium rates shall be fair, reasonable, adequate, transparent, and prudent taking into consideration estimated claims for the first year and actual loss experience for the succeeding years, reasonable profit and underwriting expenses. An annual review of the premium rates shall be done in relation to the loss experience to determine whether an adjustment is necessary. Premium rates and any adjustments thereon shall be subject to the approval of the IC.

The applicable premium shall be paid by the recruitment/manning agency responsible for the deployment of the migrant worker. In no case shall this premium be charged by the recruitment/manning agency or the foreign employer directly or indirectly to the migrant worker.

The premium rates herein mentioned shall apply only to the minimum coverages under the law. Higher coverages with corresponding increase in premium shall require separate approval from the IC.

Section. 2. Manner of Premium Payment

The premium must be paid in full to the insurance provider by the recruitment/manning agencies on a *cash and carry* basis at no cost to the worker.

Section 3. Proportionate Return of Premium

When the worker decides to voluntarily pre-terminate his employment contract abroad and returns to the Philippines out of his own volition and free will, there shall be a proportionate amount of return of premium for the benefit of the recruitment/manning agency corresponding to the unexpired term of the insurance contract.

GUIDELINE VII BENEFITS

Section 1. Minimum Benefits

The minimum insurance benefits contemplated herein shall include the following:

a) Accidental death, with at least Fifteen Thousand United States Dollars (US\$15,000.00) benefit payable to the migrant worker's beneficiaries;

(b) Natural death, with at least Ten Thousand United States Dollars (US\$10,000.00) 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 benefits payable to the disabled migrant worker. The following disabilities shall be deemed permanent: total complete loss of sight of both eyes; loss of two limbs at or above the ankles or wrists; permanent complete paralysis of two limbs; brain injury resulting to incurable imbecility or insanity;

All such disabilities must be due to accident or by any health-related cause or sickness or ailment suffered during the duration of the migrant worker's employment.

Service in the armed forces in any country or international authority, whether in peace or war, shall serve as the only exclusion to the limits of liability under this subparagraph.

(d) Repatriation cost of the worker when his/her employment is terminated by the employer without any valid cause, or by the employee with just cause, including transport of his/her personal belongings. In case of death, the insurance provider shall arrange and pay for the repatriation of the worker's remains and belongings. The insurance provider shall also render any assistance necessary in the transport, including but not limited to locating a local and licensed funeral home, mortuary or direct disposition facility to prepare the body for transport, completing all documentations, obtaining legal clearances, procuring consular services, providing death certificates, purchasing the minimally 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 and back to the residence of the insured worker in the Philippines or to any place in the Philippines in accordance with the worker's will, if there is any. This provision shall be without prejudice to the provisions of Rule XIII of the Omnibus Rules. The extent of the said benefits shall be regardless of the cost, the primary test of compliance being the complete repatriation of the worker or his/her remains, as the case may be, and his/her personal belongings.

(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 the employer's liability which may be awarded or given to the worker in a judgment or settlement of his/her case in the NLRC. The insurance coverage for money claims shall be equivalent to at least three (3) months salaries for every year of the migrant worker's employment contract, the maximum amount per month of which is One Thousand United States Dollars (US\$1,000.00) or the amount of salary under the employment contract, whichever is lower. In case the amount of insurance coverage is insufficient to satisfy the amount adjudged or agreed upon, the recruitment/manning agency is liable to pay the balance thereof.

(g) Compassionate visit. When a migrant worker is hospitalized and has been confined or will be confined as determined by the attending physician and the insurance company physician 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. The extent of the said benefits shall be regardless of the cost, the primary test of compliance being the complete transport of the visitor from and back to the Philippines.

(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 the consulting physician, evacuation under appropriate medical supervision by the mode of transport necessary shall be undertaken by the insurance provider. The extent of the said benefits shall be regardless of the cost, the primary test of compliance being the completion of the said medical evacuation.

(i) Medical repatriation. When medically necessary as determined by the insurance company physician and the consulting 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. This provision shall be without prejudice to the provisions of Rule XIII of the Omnibus Rules. The extent of the said benefits shall be regardless of the cost, the primary test of compliance being the complete repatriation of the migrant worker under medical supervision to his/her residence.

The above assistance benefits must be performed or paid immediately by the insurance provider. The insured migrant worker or his heirs should not be made to advance expenses.

The assistance benefits should be in force while the insured migrant worker is in the country of assignment for the duration of the policy.

The benefits mentioned in sub-paragraphs (a), (b), (c), (e), and (f) may be paid in Peso equivalent subject to the consent of the insured migrant worker or the beneficiaries, as the case may be. In no case shall the settlement be less than the mentioned Dollar equivalent at the time of the payment of the benefits.

GUIDELINE VIII UNDERWRITING GUIDELINES

In underwriting the insurance policy, the insurance provider shall not distinguish the migrant workers based on occupation, sex, or place of work.

This compulsory insurance coverage may be underwritten on an individual or group basis.

Insurers are required to maintain at all times separate registers of policies/proofs of cover issued, claims register, and a production register containing the amounts of retention and reinsurance distribution as well as its respective reinsurers.

Such registers shall be open to inspection and examination by duly authorized representatives of the Insurance Commissioner at any time during business hours.

GUIDELINE IX CLAIMS PROCEDURE

Section 1. Notice of Claims

Any person having a claim upon the policy issued pursuant to subparagraphs (a), (b), (c), (d) and (e) of Section 2 of Rule XVI of the Omnibus Rules 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 and submission of the complete claim documents.

Sec. 2. Documentary Requirements for Accidental or Natural Death or Disablement Claim

Any claim arising from accidental death, natural death or permanent total disablement under Section 2 (a), (b) and (c) shall be paid by the insurance company without the necessity of proving 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 accident; and
- 3) Medical Certificate –in case of permanent disablement.

For the purpose of identifying the legitimate and/or designated beneficiaries, the following claim documents shall also be submitted:

- 1) Birth Certificate of insured, if beneficiary is a parent or a child;
- 2) Marriage Contract of insured and spouse, if beneficiary is the spouse;
- 3) Affidavit of Legal Guardianship, if beneficiary is a minor; and
- 4) Other documents as may be necessary to establish identity of claimants

Sec. 3. Documentary Requirement for Repatriation Claim

For repatriation under Section 2(d) of Rule XVI of the Omnibus Rules, a certification which states the reason/s for the termination of the migrant worker's employment and the need for his/her repatriation shall be issued by the Philippine foreign post or the POLO located in the receiving country. Such certification shall be solely for the purpose of complying with this Section.

Sec. 4. Documentary Requirements for Subsistence Allowance Benefit Claim

For subsistence allowance benefit under Section 2(e) of Rule XVI of the Omnibus Rules, the concerned Labor Attaché or, in his absence, the embassy or consular official shall issue a certification which states the title of the case, the names of the parties and the nature of the cause of action of the migrant worker.

Sec. 5. Settlement of Money Claims

For the payment of money claims under Section 2(f) of Rule XVI of the Omnibus Rules, the following rules shall govern:

1) After a decision has become final and executory or a settlement/compromise agreement has been reached between the parties at the NLRC, the Labor Arbiter shall *motu proprio* or upon motion, and following the conduct of pre-execution conference, issue a writ of execution mandating the respondent recruitment/manning agency to pay the amount adjudged or agreed upon within thirty (30) days from receipt thereof;

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

(3) Within ten (10) days from the filing of the notice of claim, the insurance company shall make payment to the recruitment/manning agency the amount adjudged or payment should be made direct to the OFW or migrant worker or beneficiary 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-day period, as provided in the first subparagraph hereof;

(5) If the worker's claim was not settled within the aforesaid thirty-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 on compulsory worker's insurance under the Omnibus Rules shall not affect the joint and several liability of the foreign employer and the recruitment/manning agency under Section 10 of the Act;

(7) Lawyers for the insurance companies, unless the latter are impleaded, shall be prohibited to appear before the NLRC in money claims cases under Rule VII of the Omnibus Rules.

Sec 6. Duty to Disclose and Assist

It shall be the duty of the recruitment/manning agency, in collaboration with the insurance provider, to sufficiently explain to the migrant worker before his/her departure, and to at least one of his/her beneficiaries, the terms and benefits of the insurance coverage, including the claims procedure.

Also, in filing a claim with the insurance provider, it shall be the duty of the recruitment/manning agency to assist the migrant worker and/or the beneficiary and to ensure that all information and documents in the custody of the agency necessary for the claim are readily accessible to the claimant.

GUIDELINE X DISPUTE SETTLEMENT

Section 1. Applicable Procedure in Settling Disputes in the Enforcement of Insurance Claims

Any question or dispute in the enforcement of any insurance policy issued under these Guidelines, regardless of the amount, shall be brought before the IC for mediation or adjudication pursuant to the applicable provisions of the Insurance Code or circulars issued by the IC. The existing claims adjudication procedures of the IC shall apply in the settlement of insurance claims disputes under these Insurance Guidelines, taking into consideration the special procedures and periods provided in Section 37-A of the Act, and these Insurance Guidelines. The IC may issue the pertinent circulars for this purpose.

The preceding paragraph applies to seafarers employed/hired by principals/shipowners which obtained insurance cover from insurance companies authorized to do business in the Philippines.

Section 2. Enforcement of NLRC Decisions

Notwithstanding Section 1 hereof, the NLRC shall have the exclusive jurisdiction to enforce against the recruitment/manning agency/insurance provider its decision, resolution

or order that has become final and executory or where a settlement/compromise agreement has been reached between the parties.

Section 3. Enforcement of Seafarers' Claims

Any dispute in the enforcement of money claims under the seafarers' standard employment contract covering the minimum benefits under Section 2 Rule XVI of the Omnibus IRR shall be filed before the NLRC. For seafarers covered by collective bargaining agreements, the cases shall be submitted to voluntary arbitration.

Any complaint against a principal/shipowner and/or manning agent for a violation of the standard employment contract or the provisions of pertinent POEA rules and regulations, covering the minimum benefits under Section 2, Rule XVI of the Omnibus IRR, shall be filed with the POEA. An erring principal/shipowner and/or manning agent may be meted the corresponding administrative penalty pursuant to POEA rules and regulations.

GUIDELINE XI ADMINISTRATIVE MONITORING AND SUPERVISION

Section 1. Regular Reportorial Requirements

For the purpose of monitoring the compliance with these Insurance Guidelines and evaluating the performance of the insurance program, the IC shall require the submission of the following from the insurance providers:

- a) Production/premium report;
- b) Claims payment report;
- c) Claims denial report;
- d) Reinsurance report;
- e) Statistical report; and
- f) Other reports as may be determined necessary by the IC.

The IC shall formulate the report formats and determine the reasonable frequency of submission of the above requirements.

Section 2. Inter-Agency Committee

There is hereby created an Inter Agency Committee composed of representatives from DOLE, IC, POEA and NLRC, which shall formulate a program for the effective enforcement and monitoring compliance with this Act, the Omnibus Rules and these Insurance Guidelines. The Committee shall be co-chaired by DOLE and IC.

Section 3. Regular Examination

The Inter-Agency Committee shall, with the IC as the lead, determine the control and examination procedures to be applied to assure regulatory compliance and effective performance of the insurance program. The IC shall also determine the other reports to be required of the insurance providers. It shall coordinate with the POEA and other relevant agencies to align its objectives and procedures with them.

GUIDELINE XII OTHER MATTERS

Section 1. Requirements for the Issuance of the OEC

After procuring such insurance policy, the recruitment/manning agency shall provide an authenticated copy of the individual insurance application with original proof of cover of life and non-life coverage for each migrant worker. It shall then submit the proof of insurance coverage of the migrant worker to POEA as a requirement for the issuance of the OEC to the migrant worker.

In the case of seafarers who will be employed on board vessels with indemnity insurance coverage issued by foreign insurance companies, the POEA shall accept certificates or other proofs of cover from recruitment/manning agencies; Provided, that the minimum benefits under Section 2, Rule XVI of Omnibus Rules are included therein. For this purpose, foreign insurance companies shall include entities providing indemnity cover to the vessel.

Section 2. Liability of Recruitment/Manning Agency

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.

For this purpose, insurance companies shall not accept any payment of premiums from agency-hired migrant workers.

Section 3. Optional Coverage

Migrant workers classified as rehires, name hires or direct hires may opt to be covered by this insurance coverage by requesting their foreign employers to pay for the cost of the insurance coverage or they may pay for the premium themselves. They shall have the right to choose from any of the qualified insurance providers. To protect the rights of these workers, the DOLE, POEA and, for insurance issues, the IC, shall provide them adequate legal assistance, including conciliation and mediation services, whether at home or abroad.

Section 4. Automatic Review

The foregoing provisions on mandatory insurance coverage shall be subject to automatic review through the Congressional Oversight Committee immediately after three (3) years from the effectivity of the Act in order to determine its efficacy in favor of the covered OFWs and the compliance by recruitment/manning agencies and insurance companies, without prejudice to an earlier review if necessary and warranted for the purpose of modifying, amending and/or repealing these subject provisions.

Section 5. Duty of the Insurance Commissioner to Issue Circulars

The Insurance Commissioner shall, from time to time, issue Circular Letters to supplement these Insurance Guidelines. The Commission's existing one-circular-one-subject-matter rule shall apply. The said circulars shall be sent to all accredited insurance

companies, licensed recruitment/manning agencies, NGOs representing the migrant workers, and other parties affected by the specific circular at the time of issuance. Each circular shall take effect after fifteen (15) days from the date of issuance unless otherwise stated in the said circular. It shall also be posted in the IC's and POEA's official websites. Hence, all accredited insurance companies and licensed recruitment/manning agencies are hereby required to regularly visit the said agencies' official websites for circular updates. The Commissioner may devise such other circular distribution methods as he may deem effective and speedy. He may accredit industry associations as official representatives of their members for the purpose of receiving the circulars.

GUIDELINE XIII FINAL PROVISIONS

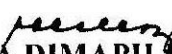
Section 1. Repealing Clause


All Department Orders, Circulars and Implementing Rules and Regulations inconsistent with these Insurance Guidelines are hereby repealed or amended accordingly.

Section 2. Effectivity

The provisions of these Insurance Guidelines shall take effect five (5) days after publication in a newspaper of general circulation.

Done in the City of Manila, this 8th day of September 2010.


ROSALINDA DIMAPILIS-BALDOZ
Secretary
DOLE


VIDA TCHING
Deputy Commissioner
Officer-in-Charge
IC


JENNIFER JARDIN-MANALILI
Administrator
POEA


GERARDO BENJAMIN C. NOGRALES
Chairman
NLRC