

**\*\*Title:\*\*** Eastern Overseas Employment Center, Inc. et al. vs. Heirs of Nomer P. Odulio

**\*\*Facts:\*\*** Nomer P. Odulio was employed as a cable electrician in Saudi Arabia by Al Awadh Company through the Philippine recruitment agency Eastern Overseas from 2007 to 2009. Upon the expiration of his contract, he continued working until he returned to the Philippines in April 2011. He then resumed his employment with Al Awadh in June 2011 as a lineman under a 12-month contract. Tragically, on May 19, 2012, Nomer died due to heart failure while employed.

The heirs of Nomer filed a complaint on January 7, 2013, against Al Awadh Company, Eastern Overseas, and the agency's executives for Nomer's death benefits under Section 37-A of RA 8042, as amended by RA 10022, arguing entitlement to a compulsory insurance policy coverage. The petitioners contended that Nomer's employment in June 2011 was not facilitated by Eastern Overseas, making him ineligible for the insurance coverage.

The Labor Arbiter ruled in favor of the heirs, which was reversed by the NLRC. However, the Court of Appeals reinstated the Labor Arbiter's decision, prompting the petitioners to elevate the case to the Supreme Court.

**\*\*Issues:\*\*** The Supreme Court was tasked with determining whether Nomer was covered by a compulsory insurance policy at the time of his death, requiring a review of whether Nomer's June 2011 employment constituted a new contract facilitated by Eastern Overseas, making him agency-hired and therefore eligible for insurance.

**\*\*Court's Decision:\*\*** The Supreme Court denied the petition, affirming the CA's decision which reinstated the Labor Arbiter's ruling in favor of the heirs. The Court found Nomer to be an agency-hired worker upon his June 2011 deployment, thus covered by a compulsory insurance policy. The decision hinged on the interpretation of Nomer's employment status, his OFW Information Sheet, and the obligations of recruitment agencies under RA 8042 as amended. The total monetary award given to Nomer's heirs was set at US\$10,000, with additional attorney's fees and an imposed interest rate for late payment.

**\*\*Doctrine:\*\*** The case reaffirmed that agency-hired overseas Filipino workers (OFWs) are entitled to compulsory insurance coverage under Section 37-A of RA 8042, as amended by RA 10022. It underscored the distinction between agency-hired and direct-hired/rehired OFWs concerning their entitlement to compulsory insurance coverage, emphasizing the recruitment agency's obligations in securing such insurance at no cost to the worker.

**\*\*Class Notes:\*\***

- Key Concept: Compulsory Insurance for Agency-Hired Workers - Under RA 8042 (Migrant Workers and Overseas Filipinos Act of 1995) as amended, agency-hired OFWs are mandatorily covered by insurance secured by the recruitment agency at no cost to the worker.
- Distinction: Agency-Hired vs. Direct-Hired/Rehired OFWs - Direct-hired/name-hired or rehired OFWs can opt for insurance coverage, unlike agency-hired workers for whom it is mandatory.
- Interpretation Favoring Workers - In case of doubt, labor legislation and contracts are construed in favor of the laborer's safety and decent living (Article 1702 of the Labor Code).

**\*\*Historical Context:\*\*** This case illustrates the evolving legal landscape in protecting OFWs through the enforcement of compulsory insurance coverage. It emphasizes the critical role of recruitment agencies in safeguarding the welfare of OFWs by adhering to the mandates of Philippine labor laws and insurance policies designed to provide benefits and security to workers and their families, particularly in cases of untimely death while working abroad.