GENERAL POLICIES, GUIDELINES AND PROCEDURES IN THE IMPLEMENTATION OF THE SELF-INSURANCE SCHEME UNDER THE OWWA INSURANCE COVERAGE PROGRAM

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Pursuant to the OWWA mandate of providing Overseas Filipino Workers with insurance coverage, and in view of the need to integrate the assistance and benefit program for migrant workers and beneficiaries. A "Self-Insurance Scheme" is hereby established in the Secretariat which shall be governed by the guidelines hereto promulgated.

1. Objectives

a. To maximize the benefits at the least cost of administering the Insurance Coverage Program, Burial, Disability and other Financial Assistance Programs of OWWA.

b. To improve effectiveness and cost efficiency in the delivery of programs and services to OFWs and their dependents including the speedy release of claims to less than one (1) month upon submission of complete requirements.

2. Components and Benefits

a. OWWA shall implement a self-administered Insurance Benefit Program for OWWA contributor OFWS. The Insurance Coverage Program, Burial Gratuity, Disability Assistance and other financial assistance programs shall be integrated into one package of financial benefits.

b. The Insurance Benefit Program for OWWA members is a comprehensive package of financial benefits which shall include the following and their corresponding amount in benefits:

BENEFITS LANDBASED SEABASED

Death Benefits 50,000 + (50,000)
(Accident Benefit) 25,000 + (25,000)
(Accident Benefit)

Funeral Grant 20,000 20,000

Disability Benefits 2,500 - 50,000 1,250 - 25,000

Medical
Reimbursement 2,000 - 10,000 2,000 - 10,000

a. For loss of life of the OFW, regardless of cause, Death Benefit in the amount of P 50,000 for Landbased Workers and P 25,000 for Seabased Workers shall be provided to the beneficiaries of the deceased OFWs. This benefit shall be doubled for both categories of worker if proven that death of the OFW is caused by accident.

b. In addition to the preceding benefit, a Funeral Grant of P 20,000.00 shall be given to the beneficiaries of the deceased OFW to assist them for the decent burial of their loved ones.

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c. Disability Benefit could be availed of by the OFWS, for any contract related disabilities in the amount not exceeding P 50,000.00 for Landbased Workers and P 25,000 for Seabased Workers.

d. Disability or dismemberment caused by accident, as well as those supervening but not immediately apparent at the time of the accident, if discovered within 90 days from the date of accident, shall be compensable based on the following schedule:

Extent of Disability/ Dismemberment Coverage

Landbased
Seabased

1. Total and Permanent Disability from Engaging in or Attending to Employment or Occupation of Any Kind and Every Kind 50,000.00 25,000.00

Total and Permanent Loss of Sight in Both Eyes 50,000.00 25,000.00

Brain Injury Causing Coma or Insanity 50,000.00 25,000.00

Total and Permanent Loss of Sight of One Eye (except perception of light) or Lens of One Eye 25,000.00 12,500.00

Permanent/Temporary, Partial Disability (including cases due to insanity) 25,000.00 12,500.00

2. Total Loss by physical severance or total and permanent loss or use of:

Two Limbs 50,000.00 25,000.00

Both Feet 50,000.00 25,000.00

Both Hands 50,000.00 25,000.00

One Hand and One Foot 50,000.00 25,000.00

Either Hand or Foot and the Sight of One Eye 50,000.00 25,000.00

Arm Above the Elbow 50,000.00 25,000.00

Leg Above the Knee 50,000.00 25,000.00

Arm Below the Elbow 25,000,00 12,500.00

One Hand at Wrist 25,000.00 12,500.00

Leg at or Below the Knee but Above the Ankle 25,000.00 12,500.00

One Foot 25,000.00 12,500.00

All Fingers of One Hand 25,000.00 12,500.00

Thumb and Any Two/Three Fingers of One Hand 25,000.00 12,500.00

Four Fingers Excluding Thumb of One Hand 25,000.00 12,500.00

Thumb 12,500.00 6,250.00

Index Finger 7,500.00 3,750.00

Middle Finger 7,500.00 3,750.00

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Ring Finger 7,500.00 3,750.00

Little Finger 5,000.00 2,500.00

All Toes of One Foot 12,500.00 6,250.00

Great Toe 5,000.00 2,500.00

Any other Toe 2,500.00 1,250.00

3. Total and Permanent Loss of:

Speech 50,000.00 25,000.00

Hearing in Both Ears/Two External Ears 50,000.00 25,000.00

Hearing in One Ear/One External Ear 25,000.00 12,500.00

4. Loss of Nose, Penis or Testicles 25,000.00 12,500.00

In no case shall the liability under this section exceeds Fifty Thousand Pesos (P 50,000.00) for Landbased Workers and Twenty Five Thousand Pesos (P 25,000.00) for Seabased Workers.

Medical Reimbursement Benefit is granted to the OFWS, for any injury/sickness or illness contracted during their employment abroad in the amount not exceeding P 10,000.00 for both categories of workers. The schedule below shall be followed by the Retainer-Doctor in determining the financial benefits to be provided to the OFW beneficiaries:

Impediment Grade Nature of Disability Compensation

1-A Conditions that are results of injuries sustained while in the performance of duties/responsibilities as prescribed by the patient's authorized nature of employment: P 10,000.00

a. Irreversible and severe mental dysfunction

b. Permanent and total blindness of both eyes

c. Permanent and severe disfigurement of face

d. Loss of both upper and lower extremities

e. Permanent quadriplegia

f. Disorders requiring organ transplantation

Condition that are terminal or those that require continuous medical management and may not be directly the result of their authorize employment but whose diagnosis have been initially established during the period of such authorized employment:

a. Cancer that is determined to be terminal

b. "End-stage" kidney disorders

c. Permanent paralysis of either both upper or lower extremities

1-B Conditions that are directly work related and resulting to complete loss of: 8,000.00

a. Speech

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b. Hearing

Conditions that are directly work related and which result permanent to partial blindness of both eyes

1-C Condition that render the worker permanently unfit for any gainful employment: 7,000.00

a. Throat injuries/disorders that require the wearing of tracheal tubes permanently

b. Bladder disorders that require permanent use of indwelling cather

c. Bowel conditions that require the permanent use of colostomy bags

2-3 Moderate disfigurement of the face; Total and permanent paralysis of one extremity; Aperture unfilled with bone (widest diameter is over 3 inches) without brain injury; Loss of all fingers of both hands; Permanent and total dysfunction of all fingers of both hands; Non-united or malunited fractures of the hip joint; Total loss of one lower or upper extremity. 6,000.00

4-5 Total and permanent blindness of one eye with partial loss of vision of the other eye; Brain or spinal cord injuries which result to permanent supported ambulation; Loss of one hand; Loss of all toes of both feet; Disorders of the hip joint resulting to permanent instability; Unstable fracture of the spine without any neurological deficit. 5,000.00

6-7 Partial but permanent paralysis of two extremities; Moderate mental dysfunction; Permanent loss of one eye; Permanent musculoskeletal disorders resulting to moderate dysfunction in chewing; Moderate but permanent residual disorders of intra-abdominal organ pathology; Fracture of 4 or more ribs resulting to respiratory difficulty; Loss or permanent dysfunction of five fingers of one hand. Loss of thumb of same hand; Loss of one Kidney; Loss of penis; Loss of both testicles, Loss of one foot or significant part of the foot which results to impaired walking; Fractures of the pelvis resulting to impaired walking or effecting intra-pelvic organ functions; Permanent instability of the elbow joint; Severe instability of the knee. 4,000.00

8-9 Loss of two external ears; Permanent partial loss of speech; Loss of a thumb; Loss of 3 fingers of one hand excluding thumb or index finger; Loss of index finger and any other finger of the same hand except the thumb; Loss of 4 toes except the great toe of one foot; Complete loss of one metatarsus with corresponding toe of one foot; Aperture unfilled with one bone (widest diameter not over 3 inches) without brain injury; Soft tissues with loss in the scalp requiring skin grafting for coverage; Partial abrasion of the nose; Fracture of not more than 3 ribs with intercoastal neuralgia resulting to moderate limitation of chest expansion; Moderate loss of motion or lifting power of the trunk/back due to causes other than pure muscular disorder; Scar on the penis or disorder of parts of the cavernous body which interferes with erection/coitus; Immobile but ambulatory hip Joint; Ankylosis of one shoulder or elbow joint. 3,000.00

10-14 Loss of about 30% of neck motion;

Slight limitation of chest expansion due to causes other than rib fracture; Mild but permanent paralysis of one extremity which slightly interferes with self-care activities; Moderate to severe but temporary paralysis of one extremity; Mental dysfunction which minimally affects self-care activities; Temporary loss of speech due to causes other than infection; Slight and permanent disorders of mastication; Mild residuals from previous intra-abdominal disorders; Disease of one eye not affecting vision permanently; Lagoponaimus, Ectropion; Epiphorial; Pstosis; Considerable nasal anatomical obstruction which hindered breathing; Acquired depression of foot arches interfering with walking; Functional dysuria and/or urinary incontinence; Ankylosis of wrist joint; Deformity of forearm which interferes with functions; Aggravated inguinal hernia; Spontaneous rupture of Achilles tendon; Ankylosis of ankle joint; Slight instability of knee joint and other temporary disorders; Disorders

resulting to shortening of one lower extremity; Other fractures resulting to complications of union or joint contractures; Injuries of soft tissues extremities with resultant scars the size of the palm; Biceps ruptures; Permanent partial loss of vision of one eye; Loss of sense of smell and/or taste; Loss of at least of 3 teeth requiring prosthetics replacement; Loss of one external ear; Loss of motion or lofting power of the trunk/back due to severe muscular disorders; Loss of one thumb; Loss of index finger; Loss of 2 fingers of one hand not including the thumb or index finger; Loss of one testicles; Loss of one breast; Disorders resulting to slight decrease in the grasping power of one hand; Ankylosis of shoulder resulting to limited range of motion; Complicated fractures of the clavicle; 2,500.00

15-A Injuries/Disorders sustained during overseas employment which do not fall under any above classifications and or indirectly related to performance of the legal employment. Sickness or injury sustained during employment overseas which do not fall under any of the above disability classification. 2,000.00

Diseases and their resultant disorders which have been present prior to overseas employment about which have been detected only at the time of overseas employment; i.e., Diabetes Mellitus, Chronic Hypertension; Hemorrhoids; Hernia; Gouty Arthritis; etc.

Under the Medical Reimbursement Benefit, OFWs can avail of the maximum amount per benefit within the period of coverage. If the maximum amount is not fully used in the first availment, succeeding claims will be limited to the remaining amount. The same illness/injury or sickness shall be compensated, if it occurs ninety (90) days after, but must be within the period of coverage.

3. Major Policies

a. Entitlement and Extent of Coverage

All OFW, whether classified as new hires, or recontracted/rehires, are covered under this scheme, provided they pay the necessary OWWA contribution on a per contract basis pursuant to OWWA Board Resolution No. 98-004 Series of 1998. Other OFWs who availed themselves of the OWWA Voluntary Membership Program shall also be secured with the same coverage. Failure to pay the required OWWA contribution deprives them of the benefits mentioned herein.

The coverage shall take effect upon payment of the OWWA contribution and shall be extended to all worksites abroad, on and off the job, for the duration of the worker's OWWA membership plus sixty (60) days upon expiration but not to exceed two years plus sixty (60) days. In no case shall the duration of coverage be for less than one year plus sixty days. Workers extending their contract beyond two (2) months shall be considered as rehires with the same employers, provided corresponding OWWA contribution are paid for the period of extension.

b. Financial Management

For every OWWA contribution collected, initially an amount equal to 165.00 and 87.50 shall be set aside from Land-based and Sea-based OWWA contributions respectively to be transferred in a separate bank account with distinct book of account to be called as Insurance Benefit Program Fund (IBPF). Prospectively, any changes in the said amounts shall be determined by actuarial studies. The transfer of this Fund shall be done twice a month specifically on the 20th of the current month and 5th of the succeeding month.

Also on a separate bank account, an initial Seed Fund of P 5.0 Million shall be set aside as the Insurance Claims Fund (ICF) from the OWWA capital fund to cover payment of claims under the program. Thereafter, the same shall be replenished from the IBPF whenever it reaches the P 2.0 Million level.

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A separate bank account and book of accounts on the program shall be maintained by the Cash Department and Accounting Division, respectively.

The remaining funds not committed for claims disbursement shall be managed by the Acquired Assets and Investment Division (AAID) in a separate investment account.

Expansion of coverage and increase in the amount of benefits shall depend on the growth of this fund.

c. Issuance of an OWWA Proof of Insurance Coverage

An OWWA Passbook shall be provided to the OFWs upon payment of the necessary OWWA contribution as proof of OWWA membership. It shall contain among others the certificate of welfare services coverage.

d. Special Package for Catastrophic Losses

A separate or a special package under this program shall cover compensatory benefits for catastrophic losses involving large number of claimant due to a single cause. The OWWA, depending on the extent or number of affected OFWs shall develop a package of benefits based on the financial viability of the IBP Fund. In case of anticipated risk, OWWA shall insure its risk, subject to the approval of the Board of Trustees.

e. Change of Name of OFWs by the Recruitment Agency

Recruitment Agencies including Manning/Shipping Agencies could only be issued Credit Memo for replacement of non-deployed workers provided they request for such on the following schedules:

1. On or before the End of the Month for those payments made from 1-15 of the same month; and

2. On or before the 15th of the succeeding month for payments made from 16-31 of the previous month;

Failure to make the request on the prescribed schedule would render payments made as non-refundable.

f. Liability of Coverage of OFWs Processed by Recipient Agencies of POEA Awards of Distinction

OFWs whose contracts were processed by the recipient agencies of POEA Awards of Distinction shall be entitled to the same coverage under the program provided they paid their OWWA contribution within thirty (30) calendar days after processing based on the Deployment List/s of the Labor Assistance Center (LAC) of POEA.

If the Agency fails to pay the necessary OWWA Contribution within the prescribed period, said agency shall assume the responsibility of providing benefits to the OFW corresponding to the program. Any Agency found intentionally not paying OWWA contributions relative to their deployment of OFWs shall be held liable for damages by OWWA aside from the assumption of said benefits.

OWWA shall re-issue a memo circular to this effect to all concerned.

g. Coverage for All OWWA Employees

Upon assumption to duty of All OWWA employees they shall be covered under the program, with benefits identical to that of the Landbased Workers. These benefits shall automatically be extinguished upon their separation from service to the Agency.

4. Responsibility Centers

a. Financial Management and Collection of OWWA Membership

The Internal Management Service Office (IMSO) through its different units shall be responsible for consolidating financial monitoring/reports, including preparation of regular reports.

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The Accounting Division shall maintain a separate book of account for the program and shall be responsible in safekeeping of records pertaining thereto.

The Collection Unit shall primarily be responsible in the preparation of the transfer of funds to the IBPF from the OWWA contributions upon receipts of reports from the MISD, ROUs and OWWA overseas posts.

The Budget Division shall monitor disbursement of the ICF and be responsible in the transfer of funds to replenish the said fund.

The Disbursement Unit shall prepare checks of beneficiaries claims payment and likewise undertakes the release of the same to them.

The Acquired Assets and Investment Division shall be responsible in the wise management of the fund intended for investment purposes.

b. Databasing, Passbook Issuance and Certification/Validity of Coverage

The Membership Registry Division (MRD) shall be responsible in the generation of database of OWWA members. This unit shall closely coordinate with the Collection Unit in the reconciliation of data on payment of OWWA contributions. The database to be generated by this unit shall be utilized in the transfer of funds to the IBPF and the verification of validity of coverage thereby providing certification for said purpose.

c. Program Monitoring and Evaluation

The Plans and Program Office (PPO) through the Insurance and Disability Benefits Division (IDBD), Social Benefits Department (SBD) shall be responsible in the standardization of systems and procedure, as well as in the timely monitoring and evaluation of the program. To carry out effectively its responsibilities, the said Unit shall conduct regular consultations with program implementors.

d. Claims Processing and Voucher Preparation

The Social Benefits Division (SBD) in the National Capital Region (NCR) initially has the primary responsibility in the processing of claims and the preparation of vouchers of the beneficiaries under the program and the ROUs shall play a supporting role to the former pending decentralization of this program.

Implementation of the program shall be decentralized to the regions, however in the absence of Database Networking and to avoid double availment on the program, the Central Office through the ROCC shall serve as the clearing house in the availment of claims under this program.

Every availment pertaining to this program from the regions shall first be validated by the MRD as to effectivity of coverage and the SBD pertaining to double availment.

5. Strategies

a. Standardization of procedures and documentary requirements for all benefits.

b. Computerization link of the processing of claims.

c. Program availment shall be decentralized upon installation of control mechanism to prevent double availment and fraudulent claims.

d. Approval and implementation of OWWA Information Systems Plan (ISP), specifically the OWWA Beneficiaries Database Information System of the Benefits Management Information System and the Financial Management Information System.

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e. A Program Manager shall be designated to oversee the setting-up of all aspects of program implementation as a transitory institutional arrangement, until the approved reorganization of OWWA is substantially complied with for the smooth operation of the program.

f. The current staff of the concerned units/personnel in the regions, including NCR, involved in claims processing shall be trained on computerized system of operations. Likewise, the concerned units/personnel on fund management shall require plan and system orientation.

g. To address the effects of redesigning the Insurance Coverage Program and integrating other financial benefits, the following shall be undertaken:

> 1. The Burial and Disability Assistance Program shall totally be phased-out effective two years after the implementation of this program at which time OFWs and their dependents are assumed to have been fully aware of this program.
>
> 2. The General Assistance Fund (GAF) shall be expanded to include burial assistance to OFWs considered under meritorious cases.
>
> 3. The present staff of the Social Benefits Division shall continue to coordinate with the Government Service insurance System (GSIS) for claims availment of the unexpired portion of insurance coverage under them.
>
> 4. A Technical Working Group for the complete turnover of the GSIS to OWWA of the Insurance Coverage Program shall be constituted to effect smooth transition of the program.

6. Competency Requirements

1. Computerization and National Links

The delegated Program Manager shall ensure:

> a. Installation of a computer network between and among the Central Office (CO) and the Regional OWWA Units (ROUs), for easy access in the database and processing of claims, and
>
> b. Computerization of the databases on OWWA contributors and OWWA Passbook, including processing of claims.

2. Networking for Authentication of Claims

OWWA shall develop linkages with Government Hospitals or hire a Medical Doctor Retainer for the purpose of validating Disability and Medical Reimbursement claims. It shall likewise establish links with appropriate government agencies, like the Office of the Civil Registrar (OCR) for the purpose of authentication of documentary requirements.

3. Services of an Actuary

As the need arises, the services of an Actuary shall be employed by OWWA.

7. Servicing of Claims for Benefits

In case of death or accident or illness, beneficiaries or claimants are required to report personally to the Social Benefits Division (SBD) or to the nearest Regional OWWA Unit (ROU) and must submit the following documents whenever applicable:

a. Copies of the OWWA Passbook/Certificate of Coverage

b. Certification of Validity of Coverage issued by the MRD

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c. Death Certificate of the deceased migrant worker;

d. Birth or Marriage Certificate of the beneficiary/beneficiaries whichever is applicable;

e. Medical Certificate and a report on the cause of disability/injury or sickness issued by the attending physician in place where the disability was sustained. In the event that the proceeding requirement is not available, Medical Certificate issued by government hospital doctors must be secured.

f. In case the death or disability of the OFW is caused by accident, notice or information sent by the Philippine Embassy/Consulate or Consular Agent or the Employer to the Local Agent POEA or OWWA shall be required.

g. OFW Information Sheet

8. Effectivity

This Insurance Benefits Program shall commence July 1, 1998.

Adopted: 24 June 1998

(SGD.) VIRGINIA DG. SON
Officer-in-Charge

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