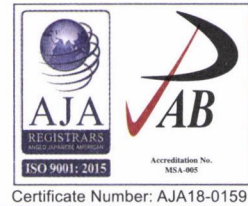




Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
1071 United Nations Avenue  
Manila



Legal Opinion (LO) No.:	2020-13
Date:	01 October 2020

**BGEN. CESAR M. IDIO**

*President and CEO*

**AFP General Insurance Corporation**

AFPGen Bldg. EDSA cor. Bonny Serrano Road,  
Camp Aguinaldo, Quezon City

**SUBJECT: Request for Legal Opinion on Government  
Mandated Mass Repatriation**

Dear **BGen. Idio**:

This refers to your letter dated 11 June 2020 requesting for a legal opinion on whether AFP General Insurance Corporation's ("AFP Gen") Compulsory Insurance Coverage for Agency-Hired Migrant Workers ("the Policy") covers repatriation brought about by the COVID-19 pandemic.

Under the Policy, AFP Gen will pay the amount of coverage in the case of accidental death and total permanent disablement, as well as provide financial assistance benefits to the covered Insured Migrant Worker. Included in the financial assistance benefits provided by AFP Gen is repatriation cost as set out in Part II of the Policy, to wit:

**"Part II. Financial Assistance Benefits**

**Repatriation Cost**

- |                              |  |
|------------------------------|--|
| A) In case of Death          | Actual Cost (As provided under RA 10022) |
| B) Termination of Employment | Actual Cost (As provided under RA 10022) |
| C) Medical Repatriation      | Actual Cost (As provided under RA 10022) |
| x x x"                       |  |

Part III of the Policy defines "repatriation cost" as follows:

**"4. 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, includes transport of his/her personal belongings. In case of death, the Insurance Provider shall arrange and pay for the repatriation of the workers 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 Migrant Worker in the Philippines or to any place in the Philippines in accordance with the workers will, if there is any. The extent of the said benefits shall, regardless of the cost, the primary test of compliance being complete repatriation of the worker or his/her remains as the case may be, and his/her personal belongings.”

Meanwhile, “medical repatriation” is defined in Part III of the Policy as follows:

**“9. Medical Repatriation** – When medically necessary as determined by the Insurance Provider’s physician and the consulting physician, repatriation under medical supervision to the migrant workers residence shall be undertaken by the Insurance Provider at such time that the migrant worker is medically cleared for travel by a 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. 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 heirs should not be made to advance expenses. The assistance benefits should be in force while the Insured Migrant Worker is in the country for the duration of the policy.”

**Based on the wordings of the Compulsory Insurance Coverage for Agency-Hired Migrant Workers Master Policy, the government-mandated mass repatriation due to the COVID-19 pandemic is not covered under the Policy, except in the three instances set out therein where the Insured Migrant Worker is entitled to financial assistance benefits for repatriation cost, namely, repatriation in case of death, repatriation in case of termination of employment, and medical repatriation.**



As provided in Section 2(a) of the Insurance Code, as amended by Republic Act. No. 10607, "a contract of insurance is an agreement whereby one undertakes for a consideration to indemnify another against loss, damage or liability arising from an unknown or contingent event." An insurance contract being an agreement between the insurer and the insured, the terms of the policy are therefore binding on the parties thereto, in accordance with Article 1159 of the Civil Code which provides that "obligations arising from contracts have the force of law between the contracting parties and should be complied with in good faith." As held by the Supreme Court in *Enriquez vs. The Mercantile Insurance Co., Inc.* (2018), G.R. No. 210950, "[b]asically a contract of indemnity, an insurance contract is the law between the parties. Its terms and conditions constitute the measure of the insurer's liability and compliance therewith is a condition precedent to the insured's right to recovery from the insurer."

Under Part II of the Policy, it is clear that AFP Gen will cover repatriation cost only in three instances: (a) in case of death, (b) in case of termination of employment, and (c) in case of medical repatriation. The first two instances, repatriation in case of death and repatriation in case of termination of employment, are discussed in Item 4, Part III of the Policy. The last instance, medical repatriation, meanwhile, is discussed in Item 9, Part III of the Policy. The insurance contract being the law between the insurer and the insured, and the terms and conditions thereof constituting the measure of the insurer's liability, the provisions of the Policy are therefore controlling as between AFP Gen and the Insured Migrant Worker. Hence, AFP Gen's Compulsory Insurance Coverage for Agency-Hired Migrant Workers only covers repatriation costs arising from any of the three instances set out in the Policy and repatriation not arising from any of these instances is, therefore, not covered notwithstanding the government-mandated mass repatriation.

Please note that the above opinion rendered by this Commission is based solely on the particular facts disclosed in the query and relevant solely to the particular issues raised therein and shall not be used, in any manner, in the nature of a standing rule binding upon the Commission in other cases whether for similar or dissimilar circumstances.

Please be guided accordingly.

Very truly yours,

**DENNIS B. FUNA**  
Insurance Commissioner

