

## SECOND DIVISION

[ G.R. No. 181112, June 29, 2010 ]

**INTERORIENT MARITIME ENTERPRISES, INC., INTERORIENT ENTERPRISES, INC., AND LIBERIA AND DOROTHEA SHIPPING CO., LTD., PETITIONERS, VS. LEONORA S. REMO, RESPONDENT.**

### DECISION

**NACHURA, J.:**

Before this Court is Petition for Review on *Certiorari*<sup>[1]</sup> under Rule 45 of the Rules of Civil Procedure, seeking the reversal of the Court of Appeals (CA) Decision<sup>[2]</sup> dated September 26, 2007, which reversed and set aside the resolution<sup>[3]</sup> of the National Labor Relations Commission (NLRC) dated June 23, 2006.

This case stems from the claim for death benefits filed by respondent Leonora S. Remo (respondent), surviving spouse of Lutero Remo (Lutero), against petitioners Interorient Maritime Enterprises, Inc. (Interorient), Interorient Enterprises, Inc., and Liberia and Dorothea Shipping Co., Ltd. (petitioners).

Culled from the records, the facts are as follows:

Lutero was deployed by Interorient on November 10, 1998 to serve as Cook-Steward on board the foreign principal's vessel, "*M/T Captain Mitsos L*" (the vessel), under a Philippine Overseas Employment Administration (POEA) Standard Employment Contract (SEC) with a duration of 12 months and a monthly salary of US\$400.00.<sup>[4]</sup>

Respondent alleged that Lutero was repeatedly contracted and deployed by Interorient for employment on board various vessels of its principals from September 1994 to April 1999;<sup>[5]</sup> that prior to his last employment contract on October 29, 1998, he underwent a pre-employment medical examination (PEME) and was declared fit to work; that on his fifth month of employment, while on board the vessel, Lutero experienced severe abdominal and chest pains, fainting spells and difficulty in breathing; that he was brought to a hospital in Dubai where he was confined for one (1) week until his repatriation on April 19, 1999; that he was diagnosed with atrial fibrillation and congestive heart failure; that within 2-3 days from arrival, Lutero reported to Interorient and requested that he be given a post-employment medical examination and assistance; that Interorient assured Lutero that he would be given a medical examination and assistance which did not, however, materialize; that Lutero, after waiting for about two weeks for the examination, went home to his province but, two weeks thereafter, he was again confined in a hospital after experiencing another episode of difficulty in breathing, abdominal and chest pains, dyspnea, and irregular cardiac breathing; that for the period of May 3 to December 9, 1999, he underwent treatment for the ailment he

contracted during his overseas employment; that Lutero was diagnosed with Chronic Atrial Fibrillation, Cardiomegaly, Essential Hypertension, and Schistosomiasis;<sup>[6]</sup> that sometime thereafter, he received notice from Interorient, requiring him to report as there was supposedly a vessel available for him to join; that he tried to persuade his attending doctor, Dr. Efren Ozaraga (Dr. Ozaraga), to declare him fit to work because he wanted to resume his work, but the doctor refused; that Lutero reported to Interorient, but failed in his PEME; that on August 28, 2000, he died at the age of 47 of hypertensive cardio-vascular disease,<sup>[7]</sup> leaving behind respondent and their three (3) children;<sup>[8]</sup> that from the time of his discharge from the vessel, Lutero did not receive any sickness benefit or medical assistance from petitioners; and that respondent is entitled to death compensation as the death of her husband was due to an illness contracted during the latter's employment, as well as sickness benefit, moral and exemplary damages, and attorney's fees.

Petitioners denied liability and averred that, at the time of his application, Lutero expressly declared in his application form that he did not, in the past and at that time, have any illness; that during his PEME, he answered "no" to the listed medical conditions and to the question if he was taking any medication;<sup>[9]</sup> that on the basis of his representation, he was declared fit to work and subsequently commenced employment; that after his repatriation, Lutero reported to Interorient's office on April 20, 1999, and when asked about the circumstances of his illness, he admitted that he had a preexisting ailment at the time of his application and deployment, and discharged petitioners from liabilities arising from said preexisting illness by virtue of his Acknowledgment<sup>[10]</sup> and Undertaking;<sup>[11]</sup> that thereafter, nothing was heard from Lutero until February 2000, when he submitted to Interorient a medical certificate<sup>[12]</sup> of fitness to work issued by his private doctor, Dr. Ozaraga; that respondent was not entitled to her claims because Lutero died after the expiration of the term of the contract; that Lutero failed to disclose his preexisting illness at the time of his engagement; and that, following his repatriation, he acknowledged his preexisting illness.

On January 13, 2004, the Labor Arbiter (LA) denied respondent's claims, holding that she was not entitled thereto because Lutero's death did not occur during the term of the contract; that Lutero failed to disclose his medical condition prior to his deployment; and that he acknowledged his preexisting illness following his repatriation. Aggrieved, respondent appealed to the NLRC which, however, affirmed the LA's ruling.

Undaunted, respondent went to the CA on *certiorari*,<sup>[13]</sup> alleging grave abuse of discretion on the part of the NLRC in not ruling that Lutero's death was due to an illness contracted during his employment, or that said employment contributed to the development of his illness.

On September 26, 2007, the CA decided in favor of respondent, finding that the nature of Lutero's employment contributed to the aggravation of his illness. Invoking our rulings in *Seagull Shipmanagement and Transport, Inc. v. NLRC*<sup>[14]</sup> and *Wallem Maritime Services, Inc. v. NLRC*,<sup>[15]</sup> the CA disposed of the case in this wise:

**WHEREFORE**, the petition is **GRANTED**. The assailed Resolutions of the National Labor Relations Commission are **REVERSED** and **SET ASIDE**. Private respondents are ordered to pay, jointly and severally, the following amounts to petitioner for herself and in her capacity as guardian of her minor children: US\$50,000.00 as death benefit; US\$7,000.00 to each child under the age of twenty-one (21), as allowances; and US\$1,000.00 as burial expenses. Costs against the private respondents.

**SO ORDERED.**<sup>[16]</sup>

On October 15, 2007, petitioners filed their Motion for Reconsideration,<sup>[17]</sup> which was, however, denied by the CA in its Resolution<sup>[18]</sup> dated December 20, 2007.

Hence, this Petition based on the following grounds:

- 1) THE HONORABLE COURT OF APPEALS ERRED IN NOT HOLDING THAT RESPONDENT IS NOT ENTITLED TO DEATH BENEFITS UNDER THE POEA STANDARD EMPLOYMENT CONTRACT FOR THE DEATH OF HER HUSBAND OCCUR[R]ING ONE YEAR AFTER THE TERM OF HIS CONTRACT;
- 2) THE HONORABLE COURT OF APPEALS ERRED IN NOT HOLDING THAT RESPONDENT IS NOT ENTITLED TO DEATH BENEFITS UNDER THE POEA STANDARD EMPLOYMENT CONTRACT FOR THE DEATH OF HER HUSBAND AS THE LATTER'S DEATH WAS DUE TO [A] PRE-EXISTING ILLNESS[; and]
- 3) THE HONORABLE COURT OF APPEALS ERRED IN NOT HOLDING THAT THE RESPONDENT IS NOT ENTITLED TO DEATH BENEFITS UNDER THE POEA STANDARD EMPLOYMENT CONTRACT FOR THE DEATH OF HER HUSBAND AS THE LATTER ADMITTED CONCEALING HIS TRUE MEDICAL CONDITION AT THE TIME OF HIS PRE- EMPLOYMENT MEDICAL EXAMINATION.  
<sup>[19]</sup>

Petitioners rely on the findings of both the LA and the NLRC that the death of Lutero is not compensable because it happened outside the term of his contract. Petitioners claim that the medical certificate issued by Dr. Ozaraga, certifying that Lutero was already fit to resume work, belies respondent's assertion that Lutero continued to be ill after his repatriation until his death. Petitioners also rely on the undertaking executed by Lutero, stating that, before he joined the vessel, he already had hypertension, and that he took medication prior to his medical examination. Thus, petitioners submit that Lutero committed material misrepresentation, disqualifying him from claiming the benefits provided for under the POEA-SEC.<sup>[20]</sup>

On the other hand, respondent argues that petitioners failed to attach the pertinent documents and pleadings to the Petition, and that the petition raises factual issues in violation of Rule 45 of the Rules of Civil Procedure. Respondent asseverates that petitioners' stance that the employer is liable only if the death of the seafarer occurs exactly during the term of the contract violates the nature of the POEA-SEC and is

contrary to the avowed policy of the State to accord utmost protection and justice to labor. Invoking our ruling in *Wallem*,<sup>[21]</sup> respondent maintains that "it is enough that the employment had contributed, even in a small degree, to the development of the disease and in bringing about (the seafarer's) death." Respondent stresses that this Court allowed the award of death benefits in *Wallem* even if the seafarer therein died after the contract term. In the instant case, Lutero suffered a heart ailment while on board the vessel - the illness manifested itself during the term of the contract - and was the very reason of his repatriation. Respondent submits that Lutero died of a heart ailment which he incurred during the term of the contract, thus, making his death compensable. Respondent also denies that the heart ailment of Lutero was a preexisting illness because, while it is true that the PEME is not exploratory, the ailment would have been easily detected because Lutero had been continuously under petitioners' employ for almost four years. Lastly, respondent highlights her claim that Lutero, after his repatriation, immediately reported to Interorient and asked for post-medical examination and assistance, but none was given to him. She bewails the fact that, instead of the conduct of said examination, petitioners induced Lutero to execute the Acknowledgment and Undertaking, releasing petitioners from any liability.<sup>[22]</sup>

The ultimate issue in this case is whether the CA committed a reversible error in rendering the assailed Decision.

The Petition is bereft of merit.

As a rule, only questions of law may be raised in and resolved by this Court on petitions brought under Rule 45 of the Rules of Civil Procedure, because the Court, not being a trier of facts, is not duty-bound to reexamine and calibrate the evidence on record. In exceptional cases, however, we may delve into and resolve factual issues when there is insufficient or insubstantial evidence to support the findings of the tribunal or court below, or when too much is concluded, inferred or deduced from the bare or incomplete facts submitted by the parties, or when the lower courts come up with conflicting positions.<sup>[23]</sup> This case constitutes an exception inasmuch as the CA's findings contradict those of the LA and the NLRC.

Section 20(B)1 of the Standard Terms and Conditions Governing the Employment of Filipino Seafarers On-Board Ocean-Going Vessels made pursuant to POEA Memorandum Circular No. 055-96 and Department Order No. 33, Series of 1996, clearly provides:

The liabilities of the employer when the seafarer suffers injury or illness during the term of his contract are as follows:

x x x x

2. If the injury or illness requires medical and/or dental treatment in a foreign port, the employer shall be liable for the full cost of such medical, serious dental, surgical and hospital treatment as well as board and lodging until the seafarer is declared fit to work or to be repatriated.

**However, if after repatriation, the seafarer still requires medical**