

SECOND DIVISION

[G.R. No. 124927, May 18, 1999]

**MORE MARITIME AGENCIES, INC., OCEAN BULK MARITIME, AND
ALPHA INSURANCE & SURETY CO., INC., PETITIONERS, VS.
NATIONAL LABOR RELATIONS COMMISSION AND SERGIO F.
HOMICILLADA, RESPONDENTS.**

DECISION

BELLOSILLO, J.:

MORE MARITIME AGENCIES, INC., Ocean Bulk Maritime, and Alpha Insurance and Surety Co., Inc., in this petition for *certiorari*, seek to reverse and set aside the decision of the National Labor Relations Commission (NLRC) dated 21 February 1996^[1] affirming with modification the decision of the Philippine Overseas Employment Agency (POEA) dated 7 September 1995 which ordered petitioners to pay private respondent Sergio F. Homicillada disability and medical benefits in the increased amount of US\$7,465.00.^[2]

On 17 January 1994 private respondent Sergio Homicillada entered into an overseas employment contract with petitioner More Maritime Agencies, Inc., (MORE MARITIME), then acting as local agent of its principal, its herein co-petitioner Ocean Bulk Maritime (OCEAN BULK), a foreign corporation organized under the laws of Greece. The contract stipulated that Homicillada was to be employed as oiler on board the vessel *MV Rhine* with a basic monthly salary of US\$287.00 plus allowance of US\$76.00 per month, open overtime and vacation pay for a period of nine (9) months.^[3] On 5 February 1994, pursuant to their employment contract, Homicillada boarded the vessel *MV Rhine* at Port Sete, France.

On 18 March 1994, while the *MV Rhine* was anchored at a port in Brazil, respondent Homicillada was directed to open and clean the main engine as well as the first and second cylinders of the air trunk.^[4] To accomplish this, Homicillada had to enter a manhole, an entrance that was accessible only in a crouching position, and had to carry a weighty 20-liter canister in order to collect the carbon, mud and oil deposited inside the cylinders and bring them out for proper disposal.

After working for four (4) consecutive days, Homicillada started experiencing pain on his left leg transcending upward to his waist and lower back. His left foot swelled. Due to the excruciating pain, he decided to inform his Chief Engineer who insisted however that he continue with his work. He was given only a "salonpas" plaster to relieve his pain.

On 29 March 1994 Homicillada's condition worsened. He finally told his ship Captain who forthwith had him examined by their ship doctor. In his medical report the doctor certified that Homicillada was not fit for work for five (5) days. But that notwithstanding, the ship Captain still required him to work. He was never given any

rest from work. After the vessel sailed out of Brazil, the pain intensified and became unbearable.

Upon his return to France Homicillada had himself medically examined again. On 27 April 1994 he was repatriated to the Philippines where he underwent a series of physical examinations at the Physician's Diagnostic Service Center, the same clinic that cleared him for work prior to his deployment to the *MV Rhine*.

Initial examination indicated that Homicillada's manifestations of limping and lower back pain were probably due to a slipped-disc.^[5] This diagnosis was later confirmed in a Medical Evaluation Certificate dated 4 May 1994 prepared by the same clinic.^[6] ACT-scan image of the lower back of Homicillada revealed a "Degeneration Osteo Arthropathy, lumbar spine, with Disc Bulge," or simply a slipped-disc.^[7] The diagnostic center recommended laminectomy and dissection on Homicillada's lower back to alleviate his pain.^[8] However, upon learning that the surgery would cost approximately P40,000.00 petitioner MORE MARITIME disregarded the recommendation and proposed instead a pelvic traction treatment which was a less costly procedure. But this did not improve the condition of private respondent.

Thus on 6 December 1994 Homicillada filed a complaint with the POEA against petitioners for disability and medical benefits as well as for payment of his two (2) months basic salary which petitioners had withheld.^[9] In their answer petitioners countered that Homicillada was not entitled to the benefits he was demanding because "his illness was pre-existing, concealed from respondents, unrelated to his employment, or is otherwise baseless."^[10]

The POEA sustained Homicillada and ordered petitioners jointly and severally to pay the former US\$1,642.30 or 14.93% of US\$11,000.00 pursuant to Appendix I-A of the *Standard Employment Contract Governing the Employment of All Filipino Seamen on Board Ocean-Going Vessels* at the exchange rate prevailing during actual payment. The POEA also held Alpha Insurance Company liable as surety of MORE MARITIME.

From this ruling both parties appealed to the NLRC with Homicillada insisting that he was entitled to more than the amount decreed by the POEA. For their part, petitioners asserted that Homicillada was not entitled to disability benefits, reiterating that his sickness was not work-connected and was in fact already in existence prior to his deployment abroad. Petitioners further made reference to the quitclaim which was allegedly made by Homicillada in consideration of the post-repatriation medical treatment extended to him at the expense of the maritime agency and that, as a consequence, he was deemed to have released and absolved petitioners from any liability which would have been adjudged against them.

In its challenged decision of 21 February 1996 the NLRC modified the appealed judgment by increasing the disability award to US\$7,465.00 based on *POEA Memorandum Circular No. 5*, which took effect 20 March 1994, upgrading the basis for disability allowance to US\$50,000.00. Petitioners moved for reconsideration which the NLRC denied in its resolution of 19 April 1996.

In this recourse, petitioners allege that the NLRC acted with grave abuse of discretion when it completely ignored a "*Receipt and Release*" dated 16 August 1994

purportedly signed by Homicillada in favor of More Maritime Agencies while the case was pending in POEA, and affirming the finding of the POEA that the illness of Homicillada was work-connected.

In that "*Receipt and Release*" Homicillada supposedly acknowledged receipt of the amount of P15,750.00 "in complete and final settlement of (his) wages, bonuses, overtime pay, leave pay, allotments and all other entitlements as well as sickness wages, reimbursement of medical expenses, medicines and other benefits due (him) x x x accruing from (his) services and employment on the vessel *MV Bulk Rhine* x x x" and that "(he) hereby declare(s) and confirm(s) that (he) (has) no other claims against said vessel, Master, Owners, Operators and Agents and (he) hereby discharge(s) and release(s) them from any other liability whatsoever x x x x"

[11] Contrary to the finding of the NLRC, petitioners maintain that they attached this quitclaim to their position paper with motion to dismiss which was received by the POEA on 10 April 1995. [12]

Whether the quitclaim was actually filed and formed part of the records which the POEA and the NLRC decided to ignore, as petitioners would want to impress on us, is largely a question of fact which we choose not to dwell on in this special civil action for *certiorari*. Besides, as aptly observed by the NLRC:

"Further, granting the existence of the said quitclaim, it cannot effectively free the respondents from liability as the fact remains that complainant was not afforded the proper medical treatment per physician's advice, it appearing from the records that the respondents only approved the procedure for a pelvic traction on the complaint which was not however the recommended recourse, the Medical Evaluation Certificate dated May 4, 1994 showing that the complainant was advised to undergo laminectomy and dissection of his disc herniation. This is further buttressed by the fact that, even after the complainant was administered with a pelvic traction, the medical certificate dated June 23, 1994 indicated no improvement in the herniation and that the complainant will just the same suffer from a partial permanent disability in the absence of the previously advised surgery. If at all, the only visible help extended by the respondents was diagnostic in nature which answers to the cost of CT-Scan of complainant's lumbo-sacral area in the amount of Three Thousand Eight Hundred Pesos (P3,800.00). Certainly this is not an amount to justify a waiver of the claim to which the complainant's entitlement has been upheld." [13]

Indeed, it is appalling that Homicillada would settle for a measly consideration of P15,570.00, which is grossly inadequate, that it could not have given rise to a valid waiver on the part of the disadvantaged employee. In *American Home Assurance Co. v. NLRC* [14] this Court held:

"The law does not consider as valid any agreement to receive less compensation than what a worker is entitled to recover nor prevent him from demanding benefits to which he is entitled. Quitclaims executed by the employees are thus commonly frowned upon as contrary to public policy and ineffective to bar claims for the full measure of the worker's legal rights, considering the economic disadvantage of the employee and the inevitable pressure upon him by financial necessity."