

FIRST DIVISION

[G.R. No. 137172, June 15, 1999]

**UCPB GENERAL INSURANCE CO., INC., PETITIONER, VS.
MASAGANA TELAMART, INC., RESPONDENT.**

D E C I S I O N

PARDO, J.:

The case is an appeal *via certiorari* seeking to set aside the decision of the Court of Appeals,^[1] affirming with modification that of the Regional Trial Court, Branch 58, Makati, ordering petitioner to pay respondent the sum of P18,645,000.00, as the proceeds of the insurance coverage of respondent's property razed by fire; 25% of the total amount due as attorney's fees and P25,000.00 as litigation expenses, and costs.

The facts are undisputed and may be related as follows:

On April 15, 1991, petitioner issued five (5) insurance policies covering respondent's various property described therein against fire, for the period from May 22, 1991 to May 22, 1992.

In March 1992, petitioner evaluated the policies and decided not to renew them upon expiration of their terms on May 22, 1992. Petitioner advised respondent's broker, Zuellig Insurance Brokers, Inc. of its intention not to renew the policies.

On April 6, 1992, petitioner gave written notice to respondent of the non-renewal of the policies at the address stated in the policies.

On June 13, 1992, fire razed respondent's property covered by three of the insurance policies petitioner issued.

On July 13, 1992, respondent presented to petitioner's cashier at its head office five (5) manager's checks in the total amount of P225,753.95, representing premium for the renewal of the policies from May 22, 1992 to May 22, 1993. No notice of loss was filed by respondent under the policies prior to July 14, 1992.

On July 14, 1992, respondent filed with petitioner its formal claim for indemnification of the insured property razed by fire.

On the same day, July 14, 1992, petitioner returned to respondent the five (5) manager's checks that it tendered, and at the same time rejected respondent's claim for the reasons (a) that the policies had expired and were not renewed, and (b) that the fire occurred on June 13, 1992, before respondent's tender of premium payment.

On July 21, 1992, respondent filed with the Regional Trial Court, Branch 58, Makati City, a civil complaint against petitioner for recovery of P18,645,000.00, representing the face value of the policies covering respondent's insured property razed by fire, and for attorney's fees.^[2]

On October 23, 1992, after its motion to dismiss had been denied, petitioner filed an answer to the complaint. It alleged that the complaint "fails to state a cause of action"; that petitioner was not liable to respondent for insurance proceeds under the policies because at the time of the loss of respondent's property due to fire, the policies had long expired and were not renewed.^[3]

After due trial, on March 10, 1993, the Regional Trial Court, Branch 58, Makati, rendered decision, the dispositive portion of which reads:

"WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff and against the defendant, as follows:

"(1) Authorizing and allowing the plaintiff to consign/deposit with this Court the sum of P225,753.95 (refused by the defendant) as full payment of the corresponding premiums for the replacement-renewal policies for Exhibits A, B, C, D and E;

"(2) Declaring plaintiff to have fully complied with its obligation to pay the premium thereby rendering the replacement-renewal policy of Exhibits A, B, C, D and E effective and binding for the duration May 22, 1992 until May 22, 1993; and, ordering defendant to deliver forthwith to plaintiff the said replacement-renewal policies;

"(3) Declaring Exhibits A & B, in force from August 22, 1991 up to August 23, 1992 and August 9, 1991 to August 9, 1992, respectively; and

"(4) Ordering the defendant to pay plaintiff the sums of: (a) P18,645,000.00 representing the latter's claim for indemnity under Exhibits A, B & C and/or its replacement-renewal policies; (b) 25% of the total amount due as and for attorney's fees; (c) P25,000.00 as necessary litigation expenses; and, (d) the costs of suit.

"All other claims and counterclaims asserted by the parties are denied and/or dismissed, including plaintiff's claim for interests.

"SO ORDERED.

"Makati, Metro-Manila, March 10, 1993.

"ZOSIMO Z. ANGELES

Judge."^[4]

In due time, petitioner appealed to the Court of Appeals.^[5]

On September 7, 1998, the Court of Appeals promulgated its decision^[6] affirming