



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

SEA POWER SHIPPING
ENTERPRISES, INC., and/or BULK
CARRIERS LIMITED and SPECIAL
MARITIME ENTERPRISES, and *M/V*
MAGELLAN,

Petitioners,

- versus -

NENITA P. SALAZAR, on behalf of
deceased ARMANDO L. SALAZAR,
Respondent.

x ----- x

G.R. No. 188595

Present:

SERENO, *CJ*, Chairperson,
LEONARDO-DE CASTRO,
BERSAMIN,
MENDOZA,* and
REYES, *JJ*.

Promulgated:

AUG 28 2013

DECISION

SERENO, *CJ*:

Before this Court is a Rule 45 petition,¹ seeking a reversal of the Court of Appeals (CA) Decision² and Resolution³ in CA-G.R. SP No. 104593. The CA awarded death benefits, minor child's allowance and burial expenses on top of the sickness allowance, hospitalization expenses, moral damages, and attorney's fees granted by the National Labor Relations Commission (NLRC) to respondent Nenita P. Salazar (Salazar) as the beneficiary of the deceased seafarer, Armando L. Salazar (Armando).

The antecedent facts are as follows:

On 11 April 2003, Armando was employed⁴ as an Able Seaman by petitioner Sea Power Shipping Enterprises, Inc. (agency) on behalf of its principal, Atlantic Bulk Carriers Limited, for a term of nine months plus a

* Designated additional member in lieu of Associate Justice Martin S. Villarama, Jr. per Special Order No. 1502.

¹ *Rollo*, pp. 9-37; Petition for Review on Certiorari filed on 24 August 2009.

² *Id.* at 39-55; The CA Decision dated 29 April 2009 was penned by Associate Justice Remedios A. Salazar-Fernando, with Associate Justices Magdangal M. de Leon and Ramon R. Garcia concurring.

³ *CA rollo*, pp. 250-251; CA Resolution dated 29 June 2009.

⁴ *Rollo*, p. 74; Contract of Employment dated 11 April 2003.

three month-consented extension. At the time of his employment, he had already passed his pre-employment medical examination and had been declared “fit to work.”

On 20 April 2003, Armando boarded the *M/V Magellan*. After 17 months, his contract ended, and on 8 September 2004, he returned to our shores.⁵ Two days after, he was taken to the Tanza Family General Hospital, where he was confined in the Intensive Care Unit (ICU) for three days. According to medical reports, he suffered from pneumonia.

Because of his confinement, Armando was unable to see the agency’s physician for a post-employment medical examination (PEME) that was supposed to be conducted within 72 hours from his repatriation. Nevertheless, on the 7th or 8th day of Armando’s confinement, Salazar informed petitioners of her husband’s condition and even asked them for the insurance proceeds. The agency denied her claims. It reasoned that without the requisite PEME required by the 2005 Philippine Overseas Employment Administration Standard Employment Contract for Seafarers (POEA Contract), his beneficiaries could not avail themselves of the sickness allowance.

Armando checked in and out of several hospitals thereafter. At the Philippine General Hospital where he was transferred in October 2004, he was diagnosed as suffering from lung carcinoma with brain metastases.⁶ On 1 March 2005, he succumbed to metastatic lung carcinoma and died of cardio-respiratory arrest, secondary to acute respiratory failure, and secondary to multi-organ failure.⁷

Subsequently, his widow instituted before the labor arbiter (LA) a collection suit⁸ against petitioners for seafarer benefits under Section 20 of the POEA Contract. Salazar sought the payment of hospitalization and medical expenses, burial expenses, compensation and death benefits, minor child’s allowance for their daughter Alice, moral and exemplary damages, and attorney’s fees.

Salazar insisted that the agency owed her both death and illness benefits, because her husband died of an illness that he had contracted while he was at sea. She narrated that Armando used to work as an Able Seaman in the ship cargo without any protective gear. She further alleged that his work environment exposed him to deleterious elements emanating from the cargo.

⁵ Id. at 78, 80; His visa stamp indicates that he returned to the Philippines on 8 September 2004 although the Certification from petitioner agency states that he was repatriated on 30 August 2004 on account of his completion of the contract.

⁶ Id. at 84; Medical Certificate issued by the Philippine General Hospital dated 8 November 2004.

⁷ Id. at 85; Certificate of Death issued by the Office of the Civil Registrar dated 1 March 2005.

⁸ Id. at 56-69; Complainant’s Position Paper dated 21 July 2005.

In turn, these conditions caused him to suffer constant headaches, which led to the worsening of his health.

Petitioners denied liability. According to the agency, claims for death benefits, minor child's allowance, and burial expenses under Section 20(A) of the POEA Contract (Death Benefits) would only prosper if the seafarer died during his employment term. Considering that Armando died six months after his repatriation, it argued that Salazar could not claim death benefits.

The agency further disputed the benefits under Section 20(B) of the POEA Contract, consisting of medical expenses and sickness allowance (Illness Benefits). In support of its allegation, it highlighted the fact that Armando never reported or complained of any health problem while at sea. As regards the causality between his lung cancer and his work, it categorically denied that he had been exposed to effluvia or emission from any machinery that would have triggered the formation of cancer. The agency contended that as an Able Seaman, Armando only worked as a deck contingent.⁹ Unfortunately, as per the records, none of the parties or the courts *a quo* provided any reference depicting his actual tasks.

In her Decision,¹⁰ the LA denied all of respondent's monetary claims. The LA explained that for the benefits under the POEA Contract to arise, a claimant must show that the death of the seafarer, as well as the illness that caused his death, (1) transpired during his service and (2) resulted from his work conditions.

In this case, the LA appreciated that Armando could not have contracted lung cancer during his service, since there was no report in the ship's records of any of his alleged health problems. Since he died after his repatriation, respondent's claim for death benefits was denied. Lastly, the LA ruled that the beneficiaries of Armando were prevented from claiming benefits under the POEA Contract, because the seafarer had not gone through the mandatory PEME within 72 hours from his repatriation.

Aggrieved, respondent appealed to the NLRC. Citing Internet websites, she included in her appeal the job description of an Able Seaman as reasonable proof that the work of Armando increased the risk of his lung cancer.¹¹ She also highlighted the statements in her own Affidavit to bolster her claim that Armando suffered from constant headaches while at sea.¹²

⁹ Id. at 75; Employment Contract cover page submitted to POEA.

¹⁰ Id. at 150-159; Decision dated 31 January 2006 penned by Labor Arbiter Daisy G. Cauton-Barcelona in NLRC-NCR OFW Case No. (M) 05-03-00572-00.

¹¹ Id. at 168; Notice of Appeal and Memorandum of Appeal dated 2 May 2006.

¹² Id. at 137; *Sinumpaang Salaysay* dated 29 November 2005.

This time around, respondent obtained a favorable ruling from the NLRC, which awarded her illness benefits.¹³ It ruled that the immediate confinement of Armando a mere two days after his arrival could only mean that he was already in a deteriorating physical condition when he disembarked.

As regards the lack of a medical report during his service, the NLRC took judicial notice of the “evil practice” of denying sick seafarers “the necessary medical attention during the period of their employment so that their employers could later on disclaim liability for their injury, illness or death on the ground that they did not sustain any injury or suffer any illness during the period in question.”¹⁴

Finally, the NLRC held that petitioners failed to dispute the legal presumption in Section 32 in relation to Section 20(B)(4) of the POEA Contract characterizing lung cancer as a work-related illness. Thus, the NLRC ordered petitioners to pay respondent the following amounts:¹⁵

1. The amount of ₱47,144.00 representing the cost of seafarer Salazar’s medicines and hospitalization;
2. The equivalent in Philippine currency at the time of actual payment of US\$1,540.00 representing seafarer Salazar’s sickness allowance (US\$385 x 4 mos. = US\$1,540.00);
3. The amount of ₱500,000.00 as moral damages; and
4. Ten percent (10%) of the total judgment award as and for attorney’s fees.

Noticeably, the NLRC did not award death benefits to respondent. It simply stated that the death of Armando was not compensable, because he did not die during the term of his contract.

Dissatisfied with the grant of illness benefits only, Salazar filed a Motion for Reconsideration¹⁶ in order to claim death benefits. For their part, petitioners filed a Motion for Reconsideration,¹⁷ praying that the LA Decision denying all of respondent’s claims be reinstated. In a minute Resolution,¹⁸ the NLRC denied both motions.

Through a Rule 65 petition, respondent assailed before the CA the denial of death benefits by the LA and the NLRC.¹⁹ On the other hand,

¹³ Id. at 212-222; Decision dated 26 July 2007 penned by Commissioner Angelita A. Gacutan with Commissioners Raul T. Aquino and Victoriano R. Calaycay concurring.

¹⁴ Id. at 220.

¹⁵ Id. at 221-222.

¹⁶ Id. at 237-245.

¹⁷ Id. at 223-236.

¹⁸ Id. at 251-253; Resolution dated 23 April 2008.

¹⁹ Id. at 254-281; Petition for Certiorari dated 10 July 2008.

petitioners no longer instituted an action for certiorari. At this point therefore, the NLRC's grant of monetary awards consisting of illness benefits, moral damages, and attorney's fees are already final and binding on both parties.

In the original action for certiorari, Salazar argued that since the NLRC already found that Armando had contracted a work-related illness, it must also grant her death benefits, notwithstanding that her husband died after his repatriation. Petitioners no longer filed a comment or memorandum to address her argument.²⁰

In its assailed Decision, the CA granted respondent's additional claim for death benefits, thereby reversing the rulings of both the LA and the NLRC. Heavily relying on *Wallem Maritime Services, Inc. v. NLRC*,²¹ the CA pieced together these various circumstances to conclude that the death of Armando resulting from a work-related illness was compensable: (1) he was declared fit to work at the start of his service; (2) he handled the cargo of the ship and was thus exposed to hazardous elements; and (3) he was confined in the ICU two days after his repatriation. After making this inference, the CA no longer gave significance to the fact that he failed to report his health problems while he was at sea, and that he did not go through the mandatory PEME within 72 hours from his repatriation. The CA explained thus:²²

While it may be true that there was no record to prove that Armando was ill while on board the vessel as there was no report of any illness on his part, nor did he ask for medical attention during the term of his contract, medical history and human experience would show that lung carcinoma does not just develop in one day or much less, deteriorate that fast. The fact that Armando was hospitalized and confined at the ICU two days after he was repatriated, would prove that Armando's illness was already in its advance [sic] stage. While his death may have occurred after his contract was terminated, it is safe to presume that his illness was work-related or that his work aggravated his illness.

x x x x

Admittedly, Armando did not report to private respondents within the required period of 72 hours upon his arrival. However, for a person who is terminally ill, such as Armando, it is understandable, as he is physically incapacitated to do it. The mere fact that he was confined at the ICU two days after his repatriation bespeaks of his condition. Private respondents cannot deny that they were notified of this fact as petitioner Salazar went to their office on the 7th or 8th day of Armando's first confinement and asked for her husband's insurance proceeds and assistance only to be rebuffed. This is more than sufficient notice to private respondents of Armando's condition. (Underscoring supplied)

²⁰ CA rollo, pp. 188, 202.

²¹ 376 Phil. 378 (1999).

²² Rollo, pp. 46-49.

Moreover, the CA rejected the contention that Armando died after his service in this wise:²³

x x x. It would be error to conclude that death benefits are recoverable only when the seafarer's death occurs during the period of his contract when evidence show that at the time he was repatriated he was already terminally ill but was not given medical attention. From the time he was confined at the ICU he never recovered and was in and out of the hospital several times. He may not have died during the period of his contract, but it is enough that the employment had contributed even in a small degree to the development of the disease and in bringing about his death.

As a result, the CA granted respondent death benefits consisting of the following:²⁴

1. US\$50,000.00 as death benefits;
2. US\$7,000.00 as the minor child's allowance; and
3. US\$1,000.00 as burial expenses.

Petitioners moved for reconsideration, but their motion was denied by the CA.²⁵ Consequently, they filed the present Rule 45 petition. They strongly refute not only the additional grant of death benefits, but also the award of illness benefits already given by the NLRC.

Petitioners harp on the absence of substantial evidence to prove that the illness of Armando during his service, if it already existed at the time, was work-related. They also fault the CA for only making a "safe presumption" that his alleged work-related illness led to his demise. Aside from emphasizing respondent's lack of proof, petitioners advance the argument that death benefits cannot be awarded to respondent, because her husband did not die during the term of his contract. In turn, respondent counters in her Comment²⁶ that since the NLRC found that Armando contracted a work-related illness resulting in the grant of illness benefits, it then follows that death benefits are likewise due to her.

Through this Petition for Review on Certiorari, this Court now reviews whether the CA correctly deemed that the LA and the NLRC committed a grave abuse of discretion amounting to the lack or excess of jurisdiction in refusing to award death benefits on top of the illness benefits allegedly due to respondent.

²³ Id. at 50.

²⁴ Id. at 52.

²⁵ CA *rollo*, pp. 250-251; Resolution dated 29 June 2009.

²⁶ *Rollo*, pp. 302-316; Comment filed on 23 November 2009.

RULING OF THE COURT

In compensation proceedings for seafarers, this Court refers to the provisions of the POEA Contract as it memorializes the minimum rights of a seafarer and the concomitant obligations of an employer.²⁷ Section 20(A) thereof pertinently discusses the rules on granting death benefits. Nevertheless, on account of the liberal interpretation permeating seafarer's agreements,²⁸ we also consider the possibility of compensation for the death of the seafarer under Section 32-A of the POEA Contract.

Death Benefits under Section 20(A) of the POEA Contract

Section 20(A) of the POEA Contract, and a long line of jurisprudence explaining the provision,²⁹ require that for respondent to be entitled to death benefits, Armando must have suffered a work-related death during the term of his contract. The provision reads:

SECTION 20. COMPENSATION AND BENEFITS

A. COMPENSATION AND BENEFITS FOR DEATH

1. In case of work-related death of the seafarer, during the term of his contract the employer shall pay his beneficiaries the Philippine Currency equivalent to the amount of Fifty Thousand US dollars (US\$50,000) and an additional amount of Seven Thousand US dollars (US\$7,000) to each child under the age of twenty-one (21) but not exceeding four (4) children, at the exchange rate prevailing during the time of payment.

x x x x

4. The other liabilities of the employer when the seafarer dies as a result of work-related injury or illness during the term of employment are as follows:

x x x x

c. The employer shall pay the beneficiaries of the seafarer the Philippines currency equivalent to the amount of One Thousand US dollars (US\$1,000) for burial expenses at the exchange rate prevailing during the time of payment.

²⁷ *Cootauco v. MMS Phil. Maritime Services, Inc.*, G.R. No. 184722, 15 March 2010, 615 SCRA 529.

²⁸ *The Estate of Posedio Ortega v. Court of Appeals*, G.R. No. 175005, 30 April 2008, 553 SCRA 649.

²⁹ *Medline Management, Inc. v. Roslinda*, G.R. No. 168715, 15 September 2010, 630 SCRA 471, citing *Southeastern Shipping v. Navarra, Jr.*, 621 SCRA 361 (2010); *Klaveness Maritime Agency, Inc. v. Beneficiaries of Allas*, 566 Phil. 579 (2008), citing *Gau Sheng Phils., Inc. v. Joaquin*, 481 Phil. 222 (2004), and *Prudential Shipping and Management Corporation v. Sta. Rita*, 544 Phil. 94 (2007).

Here, it is undisputed that Armando died on 1 March 2005 or six months after his repatriation. Thus, on the basis of Section 20(A), his beneficiaries are precluded from receiving death benefits. In relying upon this provision, both the LA and the NLRC correctly exercised their discretion in denying respondent's claims for death benefits.

Death Benefits under Section 32-A of the POEA Contract

Under its auspices, however, the CA found that the labor courts had gravely abused their discretion in refusing to grant death benefits to respondent. According to the CA, petitioners must pay USD 58,000 death benefits under Section 20(B)(4) in relation to Section 32 of the POEA Contract.

Section 20(B)(4) of the POEA Contract provides that "those illnesses not listed in Section 32 of this Contract are disputably presumed as work related." Given that Armando's lung cancer is not listed under Section 32,³⁰ it follows that the CA correctly afforded respondent the benefit of the presumption under the law.

However, the CA failed to appreciate that Section 20(B)(4) only affords a disputable presumption. In *Leonis Navigation Co., Inc. v. Villamater*,³¹ we explained that the legal presumption in Section 20(B)(4) should be read together with the requirements specified by Section 32-A of the POEA Contract.

Unlike Section 20(A), Section 32-A of the POEA Contract considers the possibility of compensation for the death of the seafarer occurring after the termination of the employment contract on account of a work-related illness. But, for death under this provision to be compensable, the claimant must fulfill the following:

1. The seafarer's work must involve the risks describe herein;
2. The disease was contracted as a result of the seafarer's exposure to the described risks;
3. The disease was contracted within a period of exposure and under such other factors necessary to contract it;
4. There was no notorious negligence on the part of the seafarer.

³⁰ Under Sec. 32 of the POEA Contract, only two types of cancer are listed as occupational diseases. These are cancer of the epithelial lining of the bladder and cancer, *epithellomatous* or ulceration of the skin or of the corneal surface of the eye due to tar, pitch, bitumen, mineral oil or paraffin, or compound product.

³¹ G.R. No. 179169, 3 March 2010, 614 SCRA 182, 196.

In fulfilling these requisites, respondent must present no less than substantial evidence. Substantial evidence is more than a mere scintilla. It must reach the level of relevant evidence as a reasonable mind might accept as sufficient to support a conclusion.³²

Given these parameters, the CA was expected to weigh substantial pieces of evidence proving that Armando's death was compensable because (1) he was ill during the term of his contract; (2) his illness was work-related, as his work involves considerable exposure to the risks of contracting his illness; and (3) his contracted illness caused his death. Unfortunately, the CA failed to establish its factual basis for awarding respondent her death benefits claim.

Firstly, as admitted by respondent, there was no documentation or account of any illness contracted by Armando aboard *M/V Magellan*. In fact, the NLRC and the CA acknowledged in their rulings this gap in the records as discussed above. Without any record of illness during his voyage, it is thus difficult to say that he acquired or developed lung cancer during his service.

Notwithstanding the lack of evidence, the CA resorted to inference. It made much about the circumstances that Armando was initially declared fit to work, and that he was then confined within two days after his disembarkation. Based on these facts, it inferred that his lung cancer was contracted during his service because that illness "does not just develop in one day, or much less, deteriorate that fast."³³

In so ruling, the CA analogously applied our pronouncement in *Wallem v. Maritime Services, Inc.*³⁴ In that case, we granted death compensation to the beneficiaries of the deceased seafarer who was also confined two days after his repatriation.

However, *Wallem* does not apply to the case of Armando. Apart from the time element between his confinement and repatriation, other special considerations distinguish these two cases. In *Wallem*, the seafarer's deteriorating state of health at the time he disembarked was established not only by the proximity of his confinement to his repatriation, but also by the fact that his employment contract was preterminated by "mutual consent." The courts in that case have consistently interpreted such mutually agreed pretermination to mean that the seafarer had contracted illness aboard the ship. In contrast, respondent can only rely on the element of proximity to deduce that Armando suffered the fatal illness during his service.

³² *Jebsens Maritime, Inc. v. Undag*, G.R. No. 191491, 14 December 2011, 662 SCRA 670, 678-679.

³³ *Rollo*, p. 46.

³⁴ *Supra* note 21.

Secondly, neither the LA nor the NLRC made a factual determination of Armando's actual work as an Able Seaman. Respondent's website definition of an Able Seaman was not even recognized in the NLRC Decision. Hence, at the level of the labor tribunals, there was already no premise on which to base the conclusion that Armando's work involved considerable exposure to the risks of contracting lung cancer.

Nevertheless, on *certiorari*, the CA held that there was a reasonable connection between the job of Armando and his lung disease. It even stated that it was undisputed³⁵ that he had worked in the cargo section of the vessel.

The CA's appreciation is manifestly erroneous. A plain reading of the pleadings on record will easily reveal that the parties vehemently contested the actual job description of Armando. Petitioners claimed that he worked with the deck contingent, while respondent asserted that he was assigned to the ship's cargo. These conflicting contentions were not resolved by either the LA or the NLRC. Therefore, since the CA proceeded from a disputed and unresolved factual claim, its resulting inference on the work connection may be disregarded. Indeed, no ruling shall be rendered by any court without clearly and distinctly stating therein the facts on which the ruling is based.³⁶

In any event, even if it were proven that Armando worked in the cargo section of the ship, the CA must still find justification for how his work environment caused his constant headaches, whether he recovered from his ailment,³⁷ and how it worsened into the alleged fatal illness.³⁸

This explanation need not show a direct causal connection; but positive propositions³⁹ on employment factors like age, position, actual work, dietary provisions,⁴⁰ exposure to substances,⁴¹ and possibility of recovery⁴² have been considered by the Court as adequate in compensation proceedings. In this instance, the NLRC and the CA failed to discuss the employment conditions that had led to the ailment of Armando.

Thirdly, for respondents to be entitled to death benefits under Section 32-A of the POEA Contract, the CA must further find that the alleged work-related illness of Armando caused his death.

³⁵ *Rollo*, p. 46.

³⁶ *Nicos Industrial Corporation v. Court of Appeals*, G.R. No. 88709, 11 February 1992, 206 SCRA 127, citing the Constitution, Art. VIII, Sec. 14.

³⁷ *Hermogenes v. OSCO Shipping Services, Inc.*, 504 Phil. 564, 570 (2005).

³⁸ *Prudential Shipping and Management Corporation v. Sta. Rita*, *supra* note 29.

³⁹ *Spouses Aya-ay v. Arpaphil Shipping Corp.* 516 Phil. 628, 641 (2006).

⁴⁰ *Leonis Navigation Co., Inc. v. Villamater*, *supra* note 31.

⁴¹ *Klaveness Maritime Agency, Inc. v. Beneficiaries of Allas*, *supra* note 29.

⁴² *Hermogenes v. OSCO Shipping Services, Inc.*, *supra* note 37.

At most, based on the allegations of respondent, Armando claimed to have suffered from constant headaches aboard *M/V Magellan*. However, there was no determination of the link between his ailment (headaches) and his cause of death (lung cancer). In *Medline Management, Inc. v. Roslinda*⁴³ citing *Hermogenes v. OSCO Shipping Services, Inc.*⁴⁴ and *Gau Sheng Phil., Inc. v. Joaquin*,⁴⁵ we have discussed death arising from a seafarer's illness in this wise:

Indeed, the death of a seaman several months after his repatriation for illness does not necessarily mean that: (a) the seaman died of the same illness; (b) his working conditions increased the risk of contracting the illness which caused his death; and (c) the death is compensable, unless there is some reasonable basis to support otherwise. x x x.

Absent any semblance of causation, it cannot be inferred that the death of Armando after the term of his contract is compensable, if the inference is based solely on the circumstance that he was confined within two days and died within six months after his repatriation. Since the CA grounded its ruling mainly on this factor, this Court resolves against the grant of death benefits to respondent.

Our Conclusion: The Benefits Due to Respondent

In summary, the NLRC and the CA were excessively fixated on the proximity of the time between the repatriation and the death of the seafarer to automatically conclude that he contracted a fatal illness during his service. The CA even stressed in its ruling that it was safe to make that presumption.

This approach to case disposition by the CA – making factual findings based only on presumptions,⁴⁶ and absent the quantum of evidence required in labor cases⁴⁷ – is an erroneous application of the law on compensation proceedings. As we have ruled in *Gabunas, Sr. v. Scanmar Maritime Services, Inc.*,⁴⁸ citing *Government Service Insurance System v. Cuntapay*,⁴⁹ claimants in compensation proceedings must show credible information that there is probably a relation between the illness and the work. Probability, and not mere possibility, is required; otherwise, the resulting conclusion would proceed from deficient proofs.⁵⁰ Thus, since the CA crafted a legal conclusion out of conjectures and without substantial evidence, we rule that a reversible error of law attended its award of death benefits, minor child's

⁴³ Supra note 29.

⁴⁴ Supra note 37.

⁴⁵ Supra note 29.

⁴⁶ *Spouses Aya-ay v. Arpaphil Shipping Corp.*, supra note 39.

⁴⁷ *Jebsens Maritime, Inc. v. Undag*, supra note 322.

⁴⁸ G.R. No. 188637, 15 December 2010.

⁴⁹ G.R. No. 168862, 30 April 2008, 553 SCRA 520.

⁵⁰ Id.

allowance, and burial expenses. For this reason, we delete the grant thereof to respondent.

Notably, in resolving a special civil action for *certiorari*, the CA was only reviewing whether the NLRC gravely abused its discretion amounting to lack or excess of jurisdiction in denying the aforementioned benefits to respondent.⁵¹ Given that there were ample grounds to deny her claims based on Section 20(A) of the POEA Contract and on the dearth of evidence of causality, the CA should have sustained the NLRC's denial of her claims for death benefits, minor child's allowance, and burial expenses.

In the course of resolving the propriety of awarding death benefits, minor child's allowance, and burial expenses under Section 20(A) of the POEA Contract, this Court inevitably finds that grave abuse of discretion also attended the NLRC's grant of medicine and hospitalization expenses and sickness allowance under Section 20(B) of the POEA Contract, moral damages, and attorney's fees to respondent. Specifically, we find that the labor court failed to establish in the first place that, during the term of his contract, Armando contracted an illness that was work related. Nevertheless, since its findings – albeit unsubstantiated – were no longer appealed, we no longer address the same.

WHEREFORE, the Court **PARTIALLY GRANTS** the Petition for Review on Certiorari. The assailed Decision and Resolution of the Court of Appeals in CA-G.R. SP No. 104593 are hereby **AFFIRMED with MODIFICATION**, in that the imposition to respondent of death benefits, minor child's allowance and burial expenses under Section 20(A) of the POEA Contract in the total amount of USD 58,000 is **DELETED**. On the other hand, this Court **SUSTAINS** the grant to respondent by the National Labor Relations Commission in NLRC NCR CA NO. 049598-06 of the following amounts: PHP 47,144 as medicine and hospitalization expenses and USD 1,540 sickness allowance under Section 20(B) of the POEA Contract, PHP 500,000 as moral damages, and ten percent (10%) of the total judgment award as and for attorney's fees.


SO ORDERED.




MARIA LOURDES P. A. SERENO
Chief Justice, Chairperson

⁵¹ See *Magsaysay Maritime Corporation v. NLRC (Second Division)*, G.R. No. 186180, 22 March 2010, 616 SCRA 362.

WE CONCUR:


TERESITA J. LEONARDO-DE CASTRO
Associate Justice


LUCAS P. BERSAMIN
Associate Justice


JOSE C. MENDOZA
Associate Justice


BIENVENIDO L. REYES
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARIA LOURDES P. A. SERENO
Chief Justice