Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

MITSUBISHI MOTORS PHILIPPINES SALARIED EMPLOYEES UNION (MMPSEU), *Petitioner,*	**G.R. No. 175773** Present:
- versus -	CARPIO, *Chairperson,* BRION, DEL CASTILLO, PEREZ, *and* PERLAS-BERNABE, *JJ.*
MITSUBISHI MOTORS PHILIPPINES CORPORATION, *Respondent.*	Promulgated: JUN 17 2013

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DECISION

DEL CASTILLO, *J.*:

The Collective Bargaining Agreement (CBA) of the parties in this case provides that the company shoulder the hospitalization expenses of the dependents of covered employees subject to certain limitations and restrictions. Accordingly, covered employees pay part of the hospitalization insurance premium through monthly salary deduction while the company, upon hospitalization of the covered employees' dependents, shall pay the hospitalization expenses incurred for the same. The conflict arose when a portion of the hospitalization expenses of the covered employees' dependents were paid/shouldered by the dependent's own health insurance. While the company refused to pay the portion of the hospital expenses already shouldered by the dependents' own health insurance, the union insists that the covered employees are entitled to the whole and undiminished amount of said hospital expenses.

By this Petition for Review on *Certiorari*,[1] petitioner Mitsubishi Motors Philippines Salaried Employees Union (MMPSEU) assails the March 31, 2006

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[1] *Rollo*, pp. 11-35.

Decision[2] and December 5, 2006 Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 75630, which reversed and set aside the Voluntary Arbitrator's December 3, 2002 Decision[4] and declared respondent Mitsubishi Motors Philippines Corporation (MMPC) to be under no legal obligation to pay its covered employees' dependents' hospitalization expenses which were already shouldered by other health insurance companies.

Factual Antecedents

The parties' CBA[5] covering the period August 1, 1996 to July 31, 1999 provides for the hospitalization insurance benefits for the covered dependents, thus:

> **SECTION 4. DEPENDENTS' GROUP HOSPITALIZATION INSURANCE –** The COMPANY shall obtain group hospitalization insurance coverage or assume under a self-insurance basis hospitalization for the dependents of regular employees up to a maximum amount of forty thousand pesos (₱40,000.00) per confinement subject to the following:
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> a. The room and board must not exceed three hundred pesos (₱300.00) per day up to a maximum of thirty-one (31) days. Similarly, Doctor's Call fees must not exceed three hundred pesos (₱300.00) per day for a maximum of thirty-one (31) days. Any excess of this amount shall be borne by the employee.
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> b. Confinement must be in a hospital designated by the COMPANY. For this purpose, the COMPANY shall designate hospitals in different convenient places to be availed of by the dependents of employees. In cases of emergency where the dependent is confined without the recommendation of the company doctor or in a hospital not designated by the COMPANY, the COMPANY shall look into the circumstances of such confinement and arrange for the payment of the amount to the extent of the hospitalization benefit.
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> c. The limitations and restrictions listed in Annex "B" must be observed.
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> d. Payment shall be direct to the hospital and doctor and must be covered by actual billings.
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> Each employee shall pay one hundred pesos (₱100.00) per month through salary deduction as his share in the payment of the insurance premium

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2 CA *rollo*, pp. 215-223; penned by Associate Justice Edgardo P. Cruz and concurred in by Associate Justices Rosalinda Asuncion-Vicente and Sesinando E. Villon.

3 Id. at 274.

4 Id. at 30-38; penned by Voluntary Arbitrator Atty. Rodolfo M. Capocyan.

5 Annex "A" of MMPC's Position Paper before the Voluntary Arbitrator, id. at 85-87.

> for the above coverage with the balance of the premium to be paid by the COMPANY. If the COMPANY is self-insured the one hundred pesos (₱100.00) per employee monthly contribution shall be given to the COMPANY which shall shoulder the expenses subject to the above level of benefits and subject to the same limitations and restrictions provided for in Annex "B" hereof.
>
> The hospitalization expenses must be covered by actual hospital and doctor's bills and any amount in excess of the above mentioned level of benefits will be for the account of the employee.
>
> For purposes of this provision, eligible dependents are the covered employees' natural parents, legal spouse and legitimate or legally adopted or step children who are unmarried, unemployed who have not attained twenty-one (21) years of age and wholly dependent upon the employee for support.
>
> This provision applies only in cases of actual confinement in the hospital for at least six (6) hours.
>
> Maternity cases are not covered by this section but will be under the next succeeding section on maternity benefits.[6]

When the CBA expired on July 31, 1999, the parties executed another CBA[7] effective August 1, 1999 to July 31, 2002 incorporating the same provisions on dependents' hospitalization insurance benefits but in the increased amount of ₱50,000.00. The room and board expenses, as well as the doctor's call fees, were also increased to ₱375.00.

On separate occasions, three members of MMPSEU, namely, Ernesto Calida (Calida), Hermie Juan Oabel (Oabel) and Jocelyn Martin (Martin), filed claims for reimbursement of hospitalization expenses of their dependents.

MMPC paid only a portion of their hospitalization insurance claims, not the full amount. In the case of Calida, his wife, Lanie, was confined at Sto. Tomas University Hospital from September 4 to 9, 1998 due to Thyroidectomy. The medical expenses incurred totalled ₱29,967.10. Of this amount, ₱9,000.00 representing professional fees was paid by MEDICard Philippines, Inc. (MEDICard) which provides health maintenance to Lanie.[8] MMPC only paid ₱12,148.63.[9] It did not pay the ₱9,000.00 already paid by MEDICard and the ₱6,278.47 not covered by official receipts. It refused to give to Calida the difference between the amount of medical expenses of ₱27,427.10[10] which he claimed to be entitled to under the CBA and the ₱12,148.63 which MMPC directly paid to the hospital.

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6 Id. at 86-87.
7 Annex "B," id. at 88-90.
8 Annexes "C" and "D," id. at 91-94.
9 Annex "E," id. at 95-96.
10 ₱12,148.63 + ₱9,000.00 + ₱6,278.47.

As regards Oabel's claim, his wife Jovita Nemia (Jovita) was confined at The Medical City from March 8 to 11, 1999 due to Tonsillopharyngitis, incurring medical expenses totalling ₱8,489.35.[11] Of this amount, ₱7,811.00 was paid by Jovita's personal health insurance, Prosper Insurance Company (Prosper).[12] MMPC paid the hospital the amount of ₱630.87,[13] after deducting from the total medical expenses the amount paid by Prosper and the ₱47.48 discount given by the hospital.

In the case of Martin, his father, Jose, was admitted at The Medical City from March 26 to 27, 2000 due to Acid Peptic Disease and incurred medical expenses amounting to ₱9,101.30.[14] MEDICard paid ₱8,496.00.[15] Consequently, MMPC only paid ₱288.40,[16] after deducting from the total medical expenses the amount paid by MEDICard and the ₱316.90 discount given by the hospital.

Claiming that under the CBA, they are entitled to hospital benefits amounting to ₱27,427.10, ₱6,769.35 and ₱8,123.80, respectively, which should not be reduced by the amounts paid by MEDICard and by Prosper, Calida, Oabel and Martin asked for reimbursement from MMPC. However, MMPC denied the claims contending that double insurance would result if the said employees would receive from the company the full amount of hospitalization expenses despite having already received payment of portions thereof from other health insurance providers.

This prompted the MMPSEU President to write the MMPC President[17] demanding full payment of the hospitalization benefits. Alleging discrimination against MMPSEU union members, she pointed out that full reimbursement was given in a similar claim filed by Luisito Cruz (Cruz), a member of the Hourly Union. In a letter-reply,[18] MMPC, through its Vice-President for Industrial Relations Division, clarified that the claims of the said MMPSEU members have already been paid on the basis of official receipts submitted. It also denied the charge of discrimination and explained that the case of Cruz involved an entirely different matter since it concerned the admissibility of certified true copies of documents for reimbursement purposes, which case had been settled through voluntary arbitration.

On August 28, 2000, MMPSEU referred the dispute to the National Conciliation and Mediation Board and requested for preventive mediation.[19]

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11 Annex "F," CA *rollo*, pp. 97-100.
12 Id.
13 Annex "G," id. at 101-102.
14 Annex "H," id. at 103-107.
15 Annex "I," id. at 108.
16 Annex "J," id. at 109.
17 Annex "A" of MMPSEU's Position Paper before the Voluntary Arbitrator, id. at 152.
18 Annex "E," id. at 156.
19 Annex "F," id. at 157.

Proceedings before the Voluntary Arbitrator

On October 3, 2000, the case was referred to Voluntary Arbitrator Rolando Capocyan for resolution of the issue involving the interpretation of the subject CBA provision.[20]

MMPSEU alleged that there is nothing in the CBA which prohibits an employee from obtaining other insurance or declares that medical expenses can be reimbursed only upon presentation of original official receipts. It stressed that the hospitalization benefits should be computed based on the formula indicated in the CBA without deducting the benefits derived from other insurance providers. Besides, if reduction is permitted, MMPC would be unjustly benefitted from the monthly premium contributed by the employees through salary deduction. MMPSEU added that its members had legitimate claims under the CBA and that any doubt as to any of its provisions should be resolved in favor of its members. Moreover, any ambiguity should be resolved in favor of labor.[21]

On the other hand, MMPC argued that the reimbursement of the entire amounts being claimed by the covered employees, including those already paid by other insurance companies, would constitute double indemnity or double insurance, which is circumscribed under the Insurance Code. Moreover, a contract of insurance is a contract of indemnity and the employees cannot be allowed to profit from their dependents' loss.[22]

Meanwhile, the parties separately sought for a legal opinion from the Insurance Commission relative to the issue at hand. In its letter[23] to the Insurance Commission, MMPC requested for confirmation of its position that the covered employees cannot claim insurance benefits for a loss that had already been covered or paid by another insurance company. However, the Office of the Insurance Commission opted not to render an opinion on the matter as the same may become the subject of a formal complaint before it.[24] On the other hand, when queried by MMPSEU,[25] the Insurance Commission, through Atty. Richard David C. Funk II (Atty. Funk) of the Claims Adjudication Division, rendered an opinion contained in a letter,[26] *viz*:

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20 Annex "G," id. at 158.

21 See MMPSEU's Position Paper and Reply to MMPC's Position Paper before the Voluntary Arbitrator, id. at 144-151 and 139-142, respectively.

22 See MMPC's Position Paper and Reply to MMPSEU's Position Paper before the Voluntary Arbitrator, id. at 74-84 and 110-121, respectively.

23 Annex "L" of MMPC Petition for Review filed before the CA, id. at 64-65.

24 See October 24, 2000 letter of the Insurance Commission, Annex "M", id. at 66.

25 See November 14, 2001 letter of MMPSEU, id. at 182-185.

26 Annex "A" of MMPSEU Reply to MMPC's Position Paper before the Voluntary Arbitrator, id. at 143.

January 8, 2002

Ms. Cecilia L. Paras
President
Mitsubishi Motors Phils.
[Salaried] Employees Union
Ortigas Avenue Extension,
Cainta, Rizal

Madam:

We acknowledge receipt of your letter which, to our impression, basically poses the question of whether or not recovery of medical expenses from a Health Maintenance Organization bars recovery of the same reimbursable amount of medical expenses under a contract of health or medical insurance.

We wish to opine that in cases of claims for reimbursement of medical expenses where there are two contracts providing benefits to that effect, recovery may be had on both simultaneously. In the absence of an Other Insurance provision in these coverages, the courts have uniformly held that an insured is entitled to receive the insurance benefits without regard to the amount of total benefits provided by other insurance. (INSURANCE LAW, A Guide to Fundamental Principles, Legal Doctrines, and Commercial Practices; Robert E. Keeton, Alau I. Widiss, p. 261). The result is consistent with the public policy underlying the collateral source rule – that is, x x x the courts have usually concluded that the liability of a health or accident insurer is not reduced by other possible sources of indemnification or compensation. (ibid).

Very truly yours,

(SGD.)
RICHARD DAVID C. FUNK II
Attorney IV
Officer-in-Charge
Claims Adjudication Division

On December 3, 2002, the Voluntary Arbitrator rendered a Decision[27] finding MMPC liable to pay or reimburse the amount of hospitalization expenses already paid by other health insurance companies. The Voluntary Arbitrator held that the employees may demand simultaneous payment from both the CBA and their dependents' separate health insurance without resulting to double insurance, since separate premiums were paid for each contract. He also noted that the CBA does not prohibit reimbursement in case there are other health insurers.

Proceedings before the Court of Appeals

MMPC filed a Petition for Review with Prayer for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction[28] before the

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27 Id. a 30-38.
28 Id. at 2-29.

CA. It claimed that the Voluntary Arbitrator committed grave abuse of discretion in not finding that recovery under both insurance policies constitutes double insurance as both had the same subject matter, interest insured and risk or peril insured against; in relying solely on the unauthorized legal opinion of Atty. Funk; and in not finding that the employees will be benefitted twice for the same loss. In its Comment,[29] MMPSEU countered that MMPC will unjustly enrich itself and profit from the monthly premiums paid if full reimbursement is not made.

On March 31, 2006, the CA found merit in MMPC's Petition. It ruled that despite the lack of a provision which bars recovery in case of payment by other insurers, the wordings of the subject provision of the CBA showed that the parties intended to make MMPC liable only for expenses actually incurred by an employee's qualified dependent. In particular, the provision stipulates that payment should be made directly to the hospital and that the claim should be supported by actual hospital and doctor's bills. These mean that the employees shall only be paid amounts not covered by other health insurance and is more in keeping with the principle of indemnity in insurance contracts. Besides, a contrary interpretation would "allow unscrupulous employees to unduly profit from the x x x benefits" and shall "open the floodgates to questionable claims x x x."[30]

The dispositive portion of the CA Decision[31] reads:

> **WHEREFORE,** the instant petition is **GRANTED.** The decision of the voluntary arbitrator dated December 3, 2002 is **REVERSED** and **SET ASIDE** and judgment is rendered declaring that under Art. XI, Sec. 4 of the Collective Bargaining Agreement between petitioner and respondent effective August 1, 1999 to July 31, 2002, the former's obligation to reimburse the Union members for the hospitalization expenses incurred by their dependents is exclusive of those paid by the Union members to the hospital.
>
> **SO ORDERED**.[32]

In its Motion for Reconsideration,[33] MMPSEU pointed out that the alleged oppression that may be committed by abusive employees is a mere possibility whereas the resulting losses to the employees are real. MMPSEU cited *Samsel v. Allstate Insurance Co.*,[34] wherein the Arizona Supreme Court explicitly ruled that an insured may recover from separate health insurance providers, regardless of whether one of them has already paid the medical expenses incurred. On the other hand, MMPC argued in its Comment[35] that the cited foreign case involves a different set of facts.

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29 Id. at 170-181.
30 Id. at 222.
31 Id. at 215-223.
32 Id. at 223.
33 Id. at 229-244.
34 59 P.3d 281 (Ariz. 2002).
35 CA *rollo*, pp. 264-272.

The CA, in its Resolution[36] dated December 5, 2006, denied MMPSEU's motion.

Hence, this Petition.

Issues

MMPSEU presented the following grounds in support of its Petition:

> A.
> THE COURT OF APPEALS SERIOUSLY ERRED WHEN IT REVERSED THE DECISION DATED 03 [DECEMBER] 2002 OF THE VOLUNTARY ARBITRATOR BELOW WHEN THE SAME WAS SUPPORTED BY SUBSTANTIAL EVIDENCE, INCLUDING THE OPINION OF THE INSURANCE COMMISSION THAT RECOVERY FROM BOTH THE CBA AND SEPARATE HEALTH CARDS IS NOT PROHIBITED IN THE ABSENCE OF ANY SPECIFIC PROVISION IN THE CBA.
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> B.
> THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR IN OVERTURNING THE DECISION OF THE VOLUNTARY ARBITRATOR WITHOUT EVEN GIVING ANY LEGAL OR JUSTIFIABLE BASIS FOR SUCH REVERSAL.
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> C.
> THE COURT OF APPEALS COMMITTED GRAVE ERROR IN REFUSING TO CONSIDER OR EVEN MENTION ANYTHING ABOUT THE AMERICAN AUTHORITIES CITED IN THE RECORDS THAT DO NOT PROHIBIT, BUT IN FACT ALLOW, RECOVERY FROM TWO SEPARATE HEALTH PLANS.
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> D.
> THE COURT OF APPEALS GRAVELY ERRED IN GIVING MORE IMPORTANCE TO A POSSIBLE, HENCE MERELY SPECULATIVE, ABUSE BY EMPLOYEES OF THE BENEFITS IF DOUBLE RECOVERY WERE ALLOWED INSTEAD OF THE REAL INJURY TO THE EMPLOYEES WHO ARE PAYING FOR THE CBA HOSPITALIZATION BENEFITS THROUGH MONTHLY SALARY DEDUCTIONS BUT WHO MAY NOT BE ABLE TO AVAIL OF THE SAME IF THEY OR THEIR DEPENDENTS HAVE OTHER HEALTH INSURANCE.[37]

MMPSEU avers that the Decision of the Voluntary Arbitrator deserves utmost respect and finality because it is supported by substantial evidence and is in accordance with the opinion rendered by the Insurance Commission, an agency equipped with vast knowledge concerning insurance contracts. It maintains that under the CBA, member-employees are entitled to full reimbursement of medical

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36 Id. at 274.
37 *Rollo*, pp. 16-17.

expenses incurred by their dependents regardless of any amounts paid by the latter's health insurance provider. Otherwise, non-recovery will constitute unjust enrichment on the part of MMPC. It avers that recovery from both the CBA and other insurance companies is allowed under their CBA and not prohibited by law nor by jurisprudence.

Our Ruling

The Petition has no merit.

Atty. Funk erred in applying the collateral source rule.

The Voluntary Arbitrator based his ruling on the opinion of Atty. Funk that the employees may recover benefits from different insurance providers without regard to the amount of benefits paid by each. According to him, this view is consistent with the theory of the collateral source rule.

As part of American personal injury law, the collateral source rule was originally applied to tort cases wherein the defendant is prevented from benefitting from the plaintiff's receipt of money from other sources.[38] Under this rule, if an injured person receives compensation for his injuries from a source wholly independent of the tortfeasor, the payment should not be deducted from the damages which he would otherwise collect from the tortfeasor.[39] In a recent Decision[40] by the Illinois Supreme Court, the rule has been described as "an established exception to the general rule that damages in negligence actions must be compensatory." The Court went on to explain that although the rule appears to allow a double recovery, the collateral source will have a lien or subrogation right to prevent such a double recovery.[41] In *Mitchell v. Haldar*,[42] the collateral source rule was rationalized by the Supreme Court of Delaware:

> The collateral source rule is 'predicated on the theory that a tortfeasor has no interest in, and therefore no right to benefit from monies received by the injured person from sources unconnected with the defendant'. According to the collateral source rule, 'a tortfeasor has no right to any mitigation of damages because of payments or compensation received by the injured person from an independent source.' The rationale for the collateral source rule is based upon the quasi-punitive nature of tort law liability. It has been explained as follows:

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38 YOUNG, MELISSA. TORT REFORM AND THE COLLATERAL SOURCE RULE <www.google.com; www.aaos.org/news/aaosnow/mar09/managing4.asp.>, (visited March 1, 2013).

39 BLACK'S LAW DICTIONARY WITH PRONUNCIATIONS, (Sixth ed. 1990/Centennial Edition).

40 *Wills v. Foster, Jr.*, 229 Ill. 2d 393, 399 (Ill. 2008).

41 Id.

42 883 A.2d 32, 37-38 (Del. 2005).

> The collateral source rule is designed to strike a balance between two competing principles of tort law: (1) a plaintiff is entitled to compensation sufficient to make him whole, but no more; and (2) a defendant is liable for all damages that proximately result from his wrong. A plaintiff who receives a double recovery for a single tort enjoys a windfall; a defendant who escapes, in whole or in part, liability for his wrong enjoys a windfall. Because the law must sanction one windfall and deny the other, it favors the victim of the wrong rather than the wrongdoer.
>
> Thus, the tortfeasor is required to bear the cost for the full value of his or her negligent conduct even if it results in a windfall for the innocent plaintiff. (Citations omitted)

As seen, the collateral source rule applies in order to place the responsibility for losses on the party causing them.[43] Its application is justified so that "'the wrongdoer should not benefit from the expenditures made by the injured party or take advantage of contracts or other relations that may exist between the injured party and third persons."[44] Thus, it finds no application to cases involving no-fault insurances under which the insured is indemnified for losses by insurance companies, regardless of who was at fault in the incident generating the losses.[45] Here, it is clear that MMPC is a no-fault insurer. Hence, it cannot be obliged to pay the hospitalization expenses of the dependents of its employees which had already been paid by separate health insurance providers of said dependents.

The Voluntary Arbitrator therefore erred in adopting Atty. Funk's view that the covered employees are entitled to full payment of the hospital expenses incurred by their dependents, including the amounts already paid by other health insurance companies based on the theory of collateral source rule.

The conditions set forth in the CBA provision indicate an intention to limit MMPC's liability only to actual expenses incurred by the employees' dependents, that is, excluding the amounts paid by dependents' other health insurance providers.

The Voluntary Arbitrator ruled that the CBA has no express provision barring claims for hospitalization expenses already paid by other insurers. Hence, the covered employees can recover from both. The CA did not agree, saying that the conditions set forth in the CBA implied an intention of the parties to limit

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43 PERILLO, JOSEPH M., THE COLLATERAL SOURCE RULES IN CONTRACT CASES, San Diego Law Review, 46 San Diego L. Rev. 705, 709-710 (Summer, 2009); <www.lexis.com.>

44 *Wills v. Foster, Jr.*, supra note 40 at 397.

45 BLACK'S LAW DICTIONARY, (Fifth ed. 273, 1979).

MMPC's liability only to the extent of the expenses actually incurred by their dependents which excludes the amounts shouldered by other health insurance companies.

We agree with the CA. The condition that *payment should be direct to the hospital and doctor* implies that MMPC is only liable to pay medical expenses actually shouldered by the employees' dependents. It follows that MMPC's liability is limited, that is, it does not include the amounts paid by other health insurance providers. This condition is obviously intended to thwart not only fraudulent claims but also double claims for the same loss of the dependents of covered employees.

It is well to note at this point that the CBA constitutes a contract between the parties and as such, it should be strictly construed for the purpose of limiting the amount of the employer's liability.[46] The terms of the subject provision are clear and provide no room for any other interpretation. As there is no ambiguity, the terms must be taken in their plain, ordinary and popular sense.[47] Consequently, MMPSEU cannot rely on the rule that a contract of insurance is to be liberally construed in favor of the insured. Neither can it rely on the theory that any doubt must be resolved in favor of labor.

Samsel v. Allstate Insurance Co. is not on all fours with the case at bar.

MMPSEU cannot rely on *Samsel v. Allstate Insurance Co.* where the Supreme Court of Arizona allowed the insured to enjoy medical benefits under an automobile policy insurance despite being able to also recover from a separate health insurer. In that case, the Allstate automobile policy does not contain any clause restricting medical payment coverage to expenses actually paid by the insured nor does it specifically provide for reduction of medical payments benefits by a coordination of benefits.[48] However, in the case before us, the dependents' group hospitalization insurance provision in the CBA specifically contains a condition which limits MMPC's liability only up to the extent of the expenses that should be paid by the covered employee's dependent to the hospital and doctor. This is evident from the portion which states that "payment [by MMPC] shall be direct to the hospital and doctor."[49] In contrast, the Allstate automobile policy expressly gives Allstate the authority to pay directly to the insured person or on the latter's behalf all reasonable expenses actually incurred. Therefore, reliance on *Samsel* is unavailing because the facts therein are different and not decisive of the issues in the present case.

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46 *Asiatic Petroleum Co. v. De Pio*, 46 Phil 167, 170 (1924).
47 *New Life Enterprises v. Court of Appeals*, G.R. No. 94071, March 31, 1992, 207 SCRA 669, 676.
48 Supra note 34 at 290.
49 CA *rollo*, p. 87.

To allow reimbursement of amounts paid under other insurance policies shall constitute double recovery which is not sanctioned by law.

MMPSEU insists that MMPC is also liable for the amounts covered under other insurance policies; otherwise, MMPC will unjustly profit from the premiums the employees contribute through monthly salary deductions.

This contention is unmeritorious.

To constitute unjust enrichment, it must be shown that a party was unjustly enriched in the sense that the term unjustly could mean illegally or unlawfully.[50] A claim for unjust enrichment fails when the person who will benefit has a valid claim to such benefit.[51]

The CBA has provided for MMPC's limited liability which extends only up to the amount to be paid to the hospital and doctor by the employees' dependents, excluding those paid by other insurers. Consequently, the covered employees will not receive more than what is due them; neither is MMPC under any obligation to give more than what is due under the CBA.

Moreover, since the subject CBA provision is an insurance contract, the rights and obligations of the parties must be determined in accordance with the general principles of insurance law.[52] Being in the nature of a non-life insurance contract and essentially a contract of indemnity, the CBA provision obligates MMPC to indemnify the covered employees' medical expenses incurred by their dependents but only up to the extent of the expenses actually incurred.[53] This is consistent with the principle of indemnity which proscribes the insured from recovering greater than the loss.[54] Indeed, to profit from a loss will lead to unjust enrichment and therefore should not be countenanced. As aptly ruled by the CA, to grant the claims of MMPSEU will permit possible abuse by employees.

WHEREFORE, the Petition is **DENIED**. The Decision dated March 31, 2006 and Resolution dated December 5, 2006 of the Court of Appeals in CA-G.R. SP No. 75630, are **AFFIRMED.**

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50 *University of the Philippines v. Philab Industries, Inc.*, 482 Phil. 693, 709 (2004).
51 *Car Cool Phils., Inc. v. Ushio Realty & Development Corporation*, 515 Phil. 376, 384 (2006).
52 *Fortune Insurance and Surety, Inc. v. Court of Appeals*, 314 Phil. 184, 196 (1995).
53 *Philamcare Health Systems, Inc. v. Court of Appeals*, 429 Phil. 82, 90 (2002).
54 The principle of indemnity in property insurance is based on Section 18 of the Insurance Code which provides that no contract or policy of insurance on property shall be enforceable except for the benefit of some person having an insurable interest in the property insured.

SO ORDERED.

MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

ARTURO D. BRION
Associate Justice

JOSE PORTUGAL PEREZ
Associate Justice

ESTELA M. PERLAS-BERNABE
Associate Justice

ATTESTATION

I attest 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.

ANTONIO T. CARPIO
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, 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