Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

CONCHITA J. RACELIS, Petitioner,	**G.R. No. 198408**
	Present:
- versus -	
	VELASCO, JR.,[**] LEONARDO-DE CASTRO, Acting Chairperson,[***] DEL CASTILLO,[****] PEREZ, and PERLAS-BERNABE, *JJ.*
UNITED PHILIPPINE LINES, INC. and/or HOLLAND AMERICA LINES, INC.,[*] and FERNANDO T. LISING, Respondents.	
	Promulgated: NOV 12 2014

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DECISION

PERLAS-BERNABE, *J.*:

Assailed in this petition for review on *certiorari*[1] are the Decision[2] dated March 28, 2011 and the Resolution[3] dated August 26, 2011 of the Court of Appeals (CA) in CA-G.R. SP. No. 113835 which reversed and set aside the Decision[4] dated November 10, 2009 of the National Labor Relations Commission (NLRC) in NLRC LAC Case No. OFW (M)-05-

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[*] Or "Holland America Line, Inc."

[**] Designated Acting Member per Special Order No. 1870 dated November 4, 2014.

[***] Per Special Order No. 1861 dated November 4, 2014.

[****] Designated Acting Member per Special Order No. 1862 dated November 4, 2014.

1 *Rollo*, pp. 3-21.

2 Id. at 24-33. Penned by Associate Justice Apolinario D. Bruselas, Jr. with Associate Justices Mario L. Guariña III and Manuel M. Barrios, concurring.

3 Id. at 41.

4 Id. at 34-40. Penned by Presiding Commissioner Herminio V. Suelo with Commissioners Angelo Ang Palana and Numeriano D. Villena, concurring.

000277-09, thereby dismissing the complaint for death benefits, burial assistance, moral and exemplary damages, and attorney's fees filed by petitioner Conchita J. Racelis (petitioner).

The Facts

On January 15, 2008, Rodolfo L. Racelis (Rodolfo) was recruited and hired by respondent United Philippine Lines, Inc. (UPL) for its principal, respondent Holland America Lines, Inc. (HAL) to serve as "*Demi Chef De Partie*" on board the vessel MS Prinsendam, with a basic monthly salary of US$799.55.[5] The Contract of Employment[6] was for a term of four (4) months, extendible for another two (2) months upon mutual consent. After complying with the required pre-employment medical examination where he was declared fit to work, Rodolfo joined the vessel on January 25, 2008.[7] Prior thereto, Rodolfo was repeatedly contracted by said respondents and was deployed under various contracts since December 17, 1985.[8]

In the course of his last employment contract, Rodolfo experienced severe pain in his ears and high blood pressure causing him to collapse while in the performance of his duties. He consulted a doctor in Argentina and was **medically repatriated on February 20, 2008** for further medical treatment.[9] Upon arrival in Manila, he was immediately brought to Medical City, Pasig City, where he was seen by a company-designated physician, Dr. Gerardo Legaspi, M.D. (Dr. Legaspi), and was diagnosed to be suffering from Brainstem (pontine) Cavernous[10] Malformation.[11] He underwent surgery twice for the said ailment but developed complications[12] and **died on March 2, 2008**.[13] Through an electronic mail[14] (e-mail) dated July 22, 2008, a certain Dr. Antonio "Toby" Abaya (Dr. Abaya) informed Atty. Florencio L. Aquino, Managing Associate of the law firm of Del Rosario and Del Rosario,[15] counsel for UPL, HAL, and its officer, Fernando T. Lising (respondents),[16] that Rodolfo's illness was congenital and that there may be familial strains in his case, hence, his death was not work-related.[17]

Rodolfo's surviving spouse, herein petitioner, sought to claim death benefits pursuant to the International Transport Workers' Federation-

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5 Id. at 35.
6 Id. at 104.
7 Id. at 94.
8 CA *rollo*, p. 165.
9 *Rollo*, pp. 35-36.
10 "Cavenous" in some parts of the records.
11 See Medical Certificate dated March 13, 2008. (*Rollo*, p. 105.)
12 Id. at 78.
13 See Death Certificate; id. at 115.
14 CA *rollo*, p. 104.
15 Id. at 42.
16 See id. at 35. See also *rollo*, p. 182.
17 Id. at 167.

Collective Bargaining Agreement (ITWF-CBA),[18] of which her husband was a member, but to no avail. Consequently, she filed a Complaint[19] for death benefits, burial assistance, moral and exemplary damages, and attorney's fees against herein respondents before the NLRC, docketed as NLRC OFW Case No. (M) NCR-06-08452-08.

In their defense,[20] respondents maintained that petitioner is not entitled to death benefits under Section 20 (A) (1) of the **2000 Philippine Overseas Employment Administration Standard Employment Contract** (2000 POEA-SEC). They averred that Rodolfo's illness, *i.e.*, Brainstem (pontine) Cavernous Malformation, was not work-related, considering that said illness is not listed as an occupational disease under the 2000 POEA-SEC.[21] They likewise pointed out that Rodolfo's death on March 2, 2008 did not occur during the term of his employment contract in view of his prior repatriation on February 20, 2008, hence, was non-compensable.[22] Moreover, they denied the claim for damages and attorney's fees for lack of factual and legal bases.[23]

The LA Ruling

In a Decision[24] dated November 28, 2008, the Labor Arbiter (LA) ruled in favor of petitioner, and thereby ordered respondents to pay her death benefits pursuant to the ITWF-CBA in the amount of US$60,000.00, burial assistance in the amount of US$1,000.00, and attorney's fees equivalent to 10% of the total monetary awards.[25]

The LA held that Rodolfo's death was compensable as the illness that caused his death occurred in the course of his employment contract.[26] It was likewise ruled that while Brainstem (pontine) Cavernous Malformation is not among the listed occupational diseases under the 2000 POEA-SEC, the same was still compensable, noting that the same may have been contracted in the course of his engagement with respondents, which started back in 1985 under various employment contracts.[27] Also, the LA did not give credence to the medical opinion[28] of Dr. Abaya which was unsigned and not certified by said doctor himself, hence, had no evidentiary value. Further, the LA observed that there is no certainty as to the accuracy of the statement

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18 Collective Bargaining Agreement between United Philippine Lines, Inc. and Associated Marine Officers & Seamen's Union of the Philippines (AMUSOP). (See id. at 129-139.)
19 Dated June 13, 2008. Id. at 83-84.
20 See respondents' Position Paper filed on October 8, 2008; id. at 85-98.
21 Id. at 88-89.
22 Id. at 93-95.
23 Id. at 95-96.
24 Id. at 165-176. Penned by Labor Arbiter Daisy G. Cauton-Barcelona.
25 Id. at 176.
26 Id. at 172.
27 Id. at 173-174.
28 Pertaining to the e-mail sent by Dr. Abaya to Atty. Florencio L. Aquino. (See CA *rollo*, p.104.)

therein that the disease is congenital in origin.[29]

Unconvinced, respondents filed an appeal[30] before the NLRC.

The NLRC Ruling

In a Decision[31] dated November 10, 2009, the NLRC affirmed the LA's verdict, holding that Rodolfo's illness is disputably presumed to be work-related and that since it supervened in the course of his employment, the burden is on the respondents to prove otherwise.[32] It held that the medical opinion of the company-designated physician, which showed that Rodolfo's ailment is not work-connected and may have pre-existed, is insufficient to rebut the presumption of compensability.[33] It likewise pointed out that the occurrence of death after the term of the contract was immaterial since the proximate cause of Rodolfo's death was the illness that supervened during his employment.[34] Finally, the NLRC sustained the award of attorney's fees as petitioner was compelled to litigate to protect her rights and interests.[35]

Dissatisfied, respondents filed a motion for reconsideration[36] which was denied by the NLRC in a Resolution[37] dated March 11, 2010; hence, they elevated the matter to the CA *via* a petition for *certiorari*.[38]

Meanwhile, petitioner moved for the execution of the affirmed LA Decision, which was granted by the NLRC.[39] In consequence, respondents paid petitioner the amount of □3,031,683.00[40] as full and complete satisfaction of the said NLRC Decision, without prejudice to the outcome of the *certiorari* case before the CA.[41]

The CA Ruling

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29 Id. at 175.

30 See respondents' Notice of Appeal with Memorandum on Appeal filed on March 6, 2009; id. at 177-208.

31 *Rollo*, pp. 34-40.

32 Id. at 38.

33 Id. at 38-39.

34 Id. at 39.

35 Id.

36 Filed on December 2, 2009. (CA *rollo*, pp. 58-80.)

37 Id. at 53-56.

38 With Prayer for the Issuance of a Writ of Preliminary Injunction and/or Temporary Restraining Order filed on May 3, 2010. (Id. at 3-36.)

39 *Rollo*, p. 154.

40 Id. at 187.

41 As shown in respondents' Satisfaction of Judgment Pursuant to Writ of Execution with *Urgent Motion to Cancel Appeal Bond* All Without Prejudice to the Pending Petition for *Certiorari* in the Court of Appeals filed on July 15, 2010. (Id. at 184-186.)

In a Decision[42] dated March 28, 2011, the CA granted respondents' *certiorari* petition, and thereby annulled and set aside the ruling of the NLRC granting petitioner's claim for death benefits.

It held that Rodolfo's death on March 2, 2008 did not occur while he was in the employ of respondents, as his contract of employment ceased when he was medically repatriated on February 20, 2008 pursuant to Section 18 (B) (1) of the 2000 POEA-SEC.[43] Moreover, it observed that Rodolfo's illness cannot be presumed to be work-related, absent any proof to show that his death was connected to his work or that his working conditions increased the risk of contracting Brainstem (pontine) Cavernous Malformation that eventually caused his death.[44]

Aggrieved, petitioner sought for reconsideration[45] but was denied in a Resolution[46] dated August 26, 2011, hence, the instant petition.

The Issue Before the Court

The essential issue for the Court's resolution is whether or not the CA erred in annulling the NLRC's grant of death benefits to petitioner on *certiorari*.

The Court's Ruling

Deemed incorporated in every seafarer's employment contract, denominated as the POEA-SEC or the Philippine Overseas Employment Administration-Standard Employment Contract, is a set of standard provisions determined and implemented by the POEA, called the "Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean Going Vessels," which are considered to be the minimum requirements acceptable to the government for the employment of Filipino seafarers on board foreign ocean-going vessels.[47]

Among other basic provisions, the POEA-SEC – specifically, its 2000 version – stipulates that the beneficiaries of a deceased seafarer may be able to claim death benefits for as long as they are able to establish that (***a***) **the seafarer's death is work-related**, and (***b***) **such death had occurred**

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42 Id. at 24-33.
43 Id. at 28.
44 Id. at 31.
45 See petitioner's Motion for Reconsideration filed on April 26, 2011; CA *rollo*, pp. 387-393.
46 *Rollo*, p. 41.
47 See *Jebsens Maritime, Inc. v. Undag,* G.R. No. 191491, December 14, 2011, 662 SCRA 670, 676-677.

during the term of his employment contract. These requirements are explicitly stated in Section 20 (A) (1) thereof, which reads:

> SECTION 20. COMPENSATION AND BENEFITS
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> A. COMPENSATION AND BENEFITS FOR DEATH
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> 1. In the 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. (Emphases supplied)

After an assiduous examination of the records, and as will be expounded on below, the Court, similar to both the LA and the NLRC, finds that the above-stated requirements positively attend petitioner's claim for death benefits.

I. The Death of the Seafarer is Work-Related.

In the recent case of *Canuel v. Magsaysay Maritime Corporation*[48] (*Canuel*), the Court clarified that the term "work-related death" refers to the seafarer's death resulting from a work-related injury or illness.

Under the 2000 POEA-SEC, the terms "work-related injury" and "work-related illness" are, in turn, defined as follows:

> **Definition of Terms:**
>
> For purposes of this contract, the following terms are defined as follows:
>
> x x x x
>
> 11. Work-Related Injury – **injury(ies) resulting in** disability or **death arising out of and in the course of employment**.
>
> 12. Work-Related Illness – **any sickness resulting to** disability or **death** as a result of an occupational disease listed under Section 32-A of this contract with the conditions set therein satisfied. (Emphases supplied)

Case law explains that "[t]he words 'arising out of' refer to the origin

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48 G.R. No. 190161, October 13, 2014.

or cause of the accident, and are descriptive of its character, while the words 'in the course of' refer to the time, place, and circumstances under which the accident takes place. As a matter of general proposition, an injury or accident is said to arise 'in the course of employment' when it takes place within the period of the employment, at a place where the employee reasonably may be, and while he is fulfilling his duties or is engaged in doing something incidental thereto."[49]

In this case, respondents submit that petitioner was unable to prove that Rodolfo's illness, *i.e.*, Brainstem (pontine) Cavernous Malformation, which had supposedly supervened during the term of his employment on board the vessel MS Prinsendam, was not related to his work.[50] To bolster the argument, respondents point to the fact that Brainstem (pontine) Cavernous Malformation is not listed as an occupational disease under Section 32-A[51] of the 2000 POEA-SEC.

The contention is untenable.

While it is true that Brainstem (pontine) Cavernous Malformation is not listed as an occupational disease under Section 32-A of the 2000 POEA-SEC, Section 20 (B) (4) of the same explicitly provides that "[t[he liabilities of the employer when the seafarer suffers work-related injury or illness **during the term of his contract** are as follows: **(t)hose illnesses not listed in Section 32 of this Contract are disputably presumed as work related**." In other words, the 2000 POEA-SEC "has created a disputable presumption in favor of compensability[,] saying that those illnesses not listed in Section 32 are disputably presumed as work-related. This means that even if the illness is not listed under Section 32-A of the POEA-SEC as an occupational disease or illness, it will still be presumed as work-related, and it becomes incumbent on the employer to overcome the presumption."[52] This presumption should be overturned only when the employer's refutation is found to be supported by substantial evidence,[53] which, as traditionally defined is "such relevant evidence as a reasonable mind might accept as sufficient to support a conclusion."[54] As held in the case of *Magsaysay Maritime Services v. Laurel*:[55]

> Anent the issue as to who has the burden to prove entitlement to disability benefits, the petitioners argue that the burden is placed upon Laurel to prove his claim that his illness was work-related and compensable. Their posture does not persuade the Court.

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49 *Iloilo Dock & Eng'g. Co. v. WCC*, 135 Phil. 95, 98 (1968).
50 *Rollo*, p. 25.
51 See Section 32-A Occupational Diseases of the 2000 POEA-SEC.
52 *Magsaysay Maritime Services v. Laurel,* G.R. No. 195518, March 20, 2013, 694 SCRA 225, 245.
53 *See Ortega v. CA*, 576 Phil. 601, 606-607 (2008).
54 *Cootauco v. MMS Phil. Maritime Services, Inc.*, G.R. No. 184722, March 15, 2010, 615 SCRA 529, 544.
55 Supra note 52, at 244-245.

True, hyperthyroidism is not listed as an occupational disease under Section 32-A of the 2000 POEA-SEC. Nonetheless, **Section 20 (B), paragraph (4) of the said POEA-SEC states that "those illnesses not listed in Section 32 of this Contract are disputably presumed as work-related." The said provision explicitly establishes a presumption of compensability although disputable by substantial evidence**. The presumption operates in favor of Laurel as the burden rests upon the employer to overcome the statutory presumption. Hence, unless contrary evidence is presented by the seafarer's employer/s, this disputable presumption stands. In the case at bench, other than the alleged declaration of the attending physician that Laurel's illness was not work-related, the petitioners failed to discharge their burden. In fact, they even conceded that hyperthyroidism may be caused by environmental factor.[56]

Similarly in *Jebsens Maritime, Inc. v. Babol*:[57]

The Principle of Work-relation

The 2000 POEA-SEC contract governs the claims for disability benefits by respondent as he was employed by the petitioners in September of 2006.

Pursuant to the said contract, the injury or illness must be work related and must have existed during the term of the seafarer's employment in order for compensability to arise. Work-relation must, therefore, be established.

As a general rule, the principle of work-relation requires that the disease in question must be one of those listed as an occupational disease under Sec. 32-A of the POEA-SEC. **Nevertheless, should it be not classified as occupational in nature, Section 20 (B) paragraph 4 of the POEA-SEC provides that such diseases are disputed are disputably presumed as work-related**.

In this case, it is undisputed that NPC afflicted respondent while on board the petitioners' vessel. As a non-occupational disease, it has the disputable presumption of being work-related. **This presumption obviously works in the seafarer's favor. Hence, unless contrary evidence is presented by the employers, the work-relatedness of the disease must be sustained**.

And in *Fil-Star Maritime Corporation v. Rosete*:[58]

Although Central Retinal Vein Occlusion is not listed as one of the occupational diseases under Section 32-A of the 2000 Amended Terms of POEA-SEC, the resulting disability which is loss of sight of one eye, is specifically mentioned in Section 32 thereof (Schedule of Disability or Impediment for Injuries Suffered and Diseases Including Occupational Diseases or Illness Contracted). **More importantly, Section 20 (B),**

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56 Id. at 244-245.
57 G.R. No. 204076, December 4, 2013; emphases supplied.
58 G.R. No. 192686, November 23, 2011, 661 SCRA 247.

> **paragraph (4) states that "those illnesses not listed in Section 32 of this Contract are disputably presumed as work-related."**
>
> **The disputable presumption that a particular injury or illness that results in disability, or in some cases death, is work-related stands in the absence of contrary evidence**. In the case at bench, the said presumption was not overturned by the petitioners. Although, the employer is not the insurer of the health of his employees, he takes them as he finds them and assumes the risk of liability. Consequently, the Court concurs with the finding of the courts below that respondent's disability is compensable.[59]

Records show that respondents' sole evidence to disprove that Rodolfo's illness is work-related was the medical opinion of Dr. Abaya, wherein it was explained that Rodolfo's ailment is a congenital malformation of blood vessels in the brain that may be due to familial strains.[60] However, as correctly observed by the LA, the document presented cannot be given probative value as it was a mere print out of an e-mail that was not signed or certified to by the doctor.[61] Moreover, records reveal that Rodolfo was attended by Dr. Legaspi from the time he was admitted at the Medical City on February 20, 2008 up to his death on March 2, 2008[62] and not by Dr. Abaya whose qualifications to diagnose such kind of illness was not even established. Likewise, the medical opinion was not backed up by any medical findings to substantiate the claim that Rodolfo's ailment was congenital in origin or that there were traces of the disease in Rodolfo's family history. Under the foregoing premises, the unsubstantiated and unauthenticated medical findings of Dr. Abaya are therefore highly suspect and cannot be considered as substantial evidence to support respondents' postulation. Thus, with no substantial evidence on the part of the employer and given that no other cogent reason exists to hold otherwise, the presumption under Section 20 (B) (4) should stand. Accordingly, the Court is constrained to pronounce that Rodolfo's death, which appears to have been proximately caused by his Brainstem (pontine) Cavernous Malformation, was work-related, in satisfaction of the first requirement of compensability under Section 20 (A) (1) of the 2000 POEA-SEC.

II. The Seafarer's Death Occurred During the Term of Employment.

Moving to the second requirement, respondents assert that Rodolfo's death on March 2, 2008 had occurred beyond the term of his employment, considering his prior medical repatriation on February 20, 2008 which had the effect of contract termination. The argument is founded on Section 18 (B) (1) of the 2000 POEA-SEC, which reads:

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59 Id. at 255; emphasis supplied.
60 CA *rollo*, p. 104.
61 Id. at 175.
62 See Medical Certificate issued by Dr. Legaspi; *rollo*, p. 105.

> SECTION 18. TERMINATION OF EMPLOYMENT
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> x x x x
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> B. The employment of the seafarer is also terminated when the seafarer arrives at the point of hire for any of the following reasons:
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> 1. when the seafarer signs-off and is disembarked for medical reasons pursuant to Section 20(B)[5][63] of this Contract.

While it is true that a medical repatriation has the effect of terminating the seafarer's contract of employment, it is, however, enough that the work-related illness, which eventually becomes the proximate cause of death, occurred while the contract was effective for recovery to be had. A further exposition is apropos.

Consistent with the State's avowed policy to afford full protection to labor as enshrined in Article XIII of the 1987 Philippine Constitution,[64] the POEA-SEC was designed primarily for the protection and benefit of Filipino seafarers in the pursuit of their employment on board ocean-going vessels. As such, it is a standing principle that its provisions are to be construed and applied fairly, reasonably, and liberally in their favor.[65]

Guided by this principle, the Court, in the recent case of *Canuel*, recognized that a medical repatriation case constitutes an exception to the second requirement under Section 20 (A) (1) of the 2000 POEA-SEC, *i.e.*, that the seafarer's death had occurred during the term of his employment, in view of the terminative consequences of a medical repatriation under Section 18 (B) of the same. In essence, the Court held that under such circumstance, the work-related death need not precisely occur during the term of his employment as it is enough that the seafarer's work-related injury or illness which eventually causes his death had occurred during the term of his employment. As rationalized in that case:

> With respect to the second requirement for death compensability, the Court takes this opportunity to clarify that while the general rule is that the seafarer's death should occur during the term of his employment, the seafarer's death occurring after the termination of his employment due to his medical repatriation on account of a work-related injury or illness constitutes an exception thereto. This is based on a liberal construction of the 2000 POEA-SEC as impelled by the plight of the bereaved heirs who stand to be deprived of a just and reasonable compensation for the

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63 5. Upon sign-off of the seafarer from the vessel for medical treatment, the employer shall bear the full cost of repatriation in the event the seafarer is declared (1) fit for repatriation; or (2) fit to work but the employer is unable to find employment for the seafarer on board his former vessel or another vessel of the employer despite earnest efforts.

64 See Section 3, Article XIII of the 1987 Philippine Constitution.

65 *Seagull Maritime Corporation v. Dee*, 548 Phil. 660, 671-672 (2007).

seafarer's death, notwithstanding its evident work-connection. The present petition is a case in point.

Here, Nancing's repatriation occurred during the eighth (8th) month of his one (1) year employment contract. Were it not for his injury, which had been earlier established as work-related, he would not have been repatriated for medical reasons and his contract consequently terminated pursuant to Part 1 of Section 18 (B) of the 2000 POEA-SEC as hereunder quoted:

x x x x

The terminative consequence of a medical repatriation case then appears to present a rather prejudicial quandary to the seafarer and his heirs. Particularly, if the Court were to apply the provisions of Section 20 of the 2000 POEA-SEC as above-cited based on a strict and literal construction thereof, then the heirs of Nancing would stand to be barred from receiving any compensation for the latter's death despite its obvious work-relatedness. Again, this is for the reason that the work-related death would, by mere legal technicality, be considered to have occurred after the term of his employment on account of his medical repatriation. It equally bears stressing that neither would the heirs be able to receive any disability compensation since the seafarer's death in this case precluded the determination of a disability grade, which, following Section 20 (B) in relation to Section 32 of the 2000 POEA-SEC, stands as the basis therefor.

However, a strict and literal construction of the 2000 POEA-SEC, especially when the same would result into inequitable consequences against labor, is not subscribed to in this jurisdiction. Concordant with the State's avowed policy to give **maximum aid and full protection to labor** as enshrined in Article XIII of the 1987 Philippine Constitution, contracts of labor, such as the 2000 POEA-SEC, are deemed to be so impressed with public interest that the more beneficial conditions must be endeavoured in favor of the laborer. The rule therefore is one of liberal construction. As enunciated in the case of *Philippine Transmarine Carriers, Inc. v. NLRC* [(405 Phil. 487 [2001])]:

> The POEA Standard Employment Contract for Seamen is designed primarily for the protection and benefit of Filipino seamen in the pursuit of their employment on board ocean-going vessels. **Its provisions must [therefore] be construed and applied fairly, reasonably and liberally in their favor [as it is only] then can its beneficent provisions be fully carried into effect**. (Emphasis supplied)

Applying the rule on liberal construction, the Court is thus brought to the recognition that medical repatriation cases should be considered as an exception to Section 20 of the 2000 POEA-SEC. Accordingly, the phrase "**work-related death** of the seafarer, **during the term of his employment contract**" under Part A (1) of the said provision should **not** be strictly and literally construed to mean that the seafarer's work-related death should have precisely occurred during the term of his employment. Rather, it is enough that **the seafarer's work-related injury or illness which eventually causes his death should have occurred during the term of his employment**. Taking all things into account, the Court reckons that it is by this method of construction that undue prejudice to the

> laborer and his heirs may be obviated and the State policy on labor protection be championed. For if the laborer's death was brought about (whether fully or partially) by the work he had harbored for his master's profit, then it is but proper that his demise be compensated. Here, since it has been established that (***a***) the seafarer had been suffering from a work-related injury or illness during the term of his employment, (***b***) his injury or illness was the cause for his medical repatriation, and (***c***) it was later determined that the injury or illness for which he was medically repatriated was the proximate cause of his actual death although the same occurred after the term of his employment, the above-mentioned rule should squarely apply. Perforce, the present claim for death benefits should be granted.[66] (Citations omitted)

As elucidated in *Canuel*, the foregoing liberal approach was applied in *Inter-Orient Maritime, Incorporated v. Candava*,[67] *Interorient Maritime Enterprises, Inc. v. Remo*,[68] and *Wallem Maritime Services, Inc. v. NLRC*,[69] wherein the Court had previously allowed the recovery of death benefits even if the seafarers in those cases had died after repatriation, given that there was proof of a clear causal connection between their work and the illness which was contracted in the course of employment, and their eventual death. The converse conclusion was reached in the cases of *Gau Sheng Phils., Inc. v. Joaquin*[70] (*Gau Sheng*), *Spouses Aya-ay, Sr. v. Arpaphil Shipping Corp.*[71] (*Spouses Aya-ay, Sr.*), *Hermogenes v. Osco Shipping Services, Inc*.,[72] *Prudential Shipping and Management Corp. v. Sta. Rita*[73] (*Prudential*), and *Ortega v. CA*[74] (*Ortega*), since the element of work-relatedness had not been established. All in all, the sense gathered from these cases, as pointed out in *Canuel*, is that it is crucial to determine whether the death of the deceased was reasonably connected with his work, or whether the working conditions increased the risk of contracting the disease that resulted in the seafarer's death. If the injury or illness is the proximate cause, or at least increased the risk of his death for which compensation is sought, recovery may be had for said death, or for that matter, for the injury or illness. Thus, in *Seagull Shipmanagement and Trans., Inc. v. NLRC*,[75] the Court significantly observed that:

> Even assuming that the ailment of the worker was contracted prior to his employment, this still would not deprive him of compensation benefits. **For what matters is that his work had contributed, even in a small degree, to the development of the disease and in bringing about his eventual death**. Neither is it necessary, in order to recover compensation, that the employee must have been in perfect health at the

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66 *Canuel v. Magsaysay Maritime Corporation*, supra note 48.
67 G.R. No. 201251, June 26, 2013, 700 SCRA 174.
68 G.R. No. 181112, June 29, 2010, 622 SCRA 237.
69 376 Phil. 738 (1999).
70 481 Phil. 222 (2004).
71 516 Phil. 628 (2006).
72 504 Phil. 564 (2005).
73 544 Phil. 94 (2007).
74 576 Phil. 601 (2008).
75 388 Phil. 906 (2000).

> time he contracted the disease. A worker brings with him possible infirmities in the course of his employment, and while the employer is not the insurer of the health of the employees, he takes them as he finds them and assumes the risk of liability. **If the disease is the proximate cause of the employee's death for which compensation is sought, the previous physical condition of the employee is unimportant, and recovery may be had for said death, independently of any pre-existing disease**. [76]
> (Emphases and underscoring supplied; citations omitted)

Employing the same spirit of liberality as fleshed out in *Canuel*, the Court finds that it would be highly inequitable and even repugnant to the State's policy on labor to deny petitioner's claim for death benefits for the mere technicality triggered by Rodolfo's prior medical repatriation. As it has been clearly established that Rodolfo had been suffering from a work-related illness during the term of his employment that caused his medical repatriation and, ultimately, his death on March 2, 2008, it is but proper to consider the same as a compensable work-related death despite it having occurred after his repatriation. To echo *Canuel*, "it is enough that **the seafarer's work-related injury or illness which eventually causes his death should have occurred during the term of his employment**. Taking all things into account, the Court reckons that it is by this method of construction that undue prejudice to the laborer and his heirs may be obviated and the State policy on labor protection be championed. For if the laborer's death was brought about (whether fully or partially) by the work he had harbored for his master's profit, then it is but proper that his demise be compensated."[77]

Lest it be misunderstood, the conclusion above-reached does not run counter to the Court's ruling in *Klaveness Maritime Agency, Inc. v. Beneficiaries of the Late Second Officer Anthony s. Allas* (*Klaveness*),[78] which the CA inaccurately relied on. As similarly pointed out in *Canuel*, the *Klaveness* case involved a seafarer who was not medically repatriated but was actually signed off from the vessel after the completion of his contract, his illness not proven to be work-related, and died almost two (2) years after the termination of his contract. Since the employment contract was terminated without any connection to a work-related cause, but rather because of its mere lapse, death benefits were denied to the seafarer's heirs.[79] This is definitely not the case here since Rodolfo's employment contract was terminated only because of his medical repatriation. Were it not for his illness, Rodolfo would not have been medically repatriated and his employment contract, in turn, terminated. Evidently, the termination of employment was forced upon by a work-related cause and it would be in contrast to the State's policy on labor to deprive the seafarer's heirs of death

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76 Id. at 914-915.
77 *Canuel v. Magsaysay Maritime Corporation*, supra note 48.
78 566 Phil. 579 (2008).
79 See *Canuel v. Magsaysay Maritime Corporation*, supra note 48.

compensation despite its ascertained work-connection.[80]

This variance also exists as to the cases of *Gau Sheng*,[81] *Spouses Aya-ay, Sr.*,[82] *Prudential*,[83] and *Ortega*,[84] which respondents invoke in their Comment dated February 16, 2012.[85] As a common denominator, the element of work-relatedness was not established in those cases. Thus, being the primary factor considered in granting compensation, the Court denied the beneficiaries' respective claims. Again, the Court has pored over the records and remains satisfied that Rodolfo's death is work-related. Accordingly, this precludes the application of the above-stated rulings.

III. Amount of Death Benefits.

With the compensability of Rodolfo's death now traversed, a corollary matter to determine is the amount of benefits due petitioner.

Records show that respondents do not deny – and therefore admit – the late Rodolfo's membership in the AMOSUP that had entered into a collective bargaining agreement with HAL, or the ITWF-CBA.[86] Its provisions therefore must prevail over the standard terms and benefits formulated by the POEA in its Standard Employment Contract.[87] Hence, the NLRC's award of **US$60,000.00** as compensation for the death of Rodolfo in accordance with Article 21.2.1[88] of the ITWF-CBA was in order. The same holds true for the award of burial assistance in the amount of **US$1,000.00** which is provided under Section 20 (A) (4) (c)[89] of the 2000

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80 Id.

81 In *Gau Sheng,* seafarer therein was repatriated upon mutual consent, and thus effectively terminated his contract with his employer. He died eight (8) months after his repatriation of chronic renal failure which illness is not listed as a compensable illness. See supra note 70.

82 In *Spouses Aya-ay, Sr.*, while the seafarer therein was repatriated on account of an eye injury, he subsequently died of a stroke, which was not established to be in connection with/ or a result of his eye injury. See supra note 71.

83 In *Prudential*, while the seafarer was repatriated due to umbilical hernia, he was declared fit to work after undergoing several treatments. His death, about a year later was due to cardiopulmonary arrest which was not shown to have been work-related. See supra note 73.

84 In *Ortega*, the seafarer therein was repatriated due to lung cancer, which illness was not establish to have been brought about by his short stint (almost two weeks only) on board the employer's vessel. See supra note 74.

85 *Rollo*, pp. 156-162 and 164-166.

86 CA *rollo*, pp. 131-132.

87 See Section 20 (A) (1) of 2000 POEA-SEC.

88 CA *rollo*, p. 135.

89 SECTION 20. COMPENSATION AND BENEFITS

A. COMPENSATION AND BENEFITS FOR DEATH

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.

POEA-SEC. Moreover, conformably with existing case law, the NLRC's grant of attorney's fees in the amount of **US$6,100.00** was called for since petitioner was forced to litigate to protect her valid claim. Where an employee is forced to litigate and incur expenses to protect his right and interest, he is entitled to an award of attorney's fees equivalent to 10% of the award.[90]

All in all, the NLRC's award of **US$67,100.00**[91] – which, as the records bear, had already been paid[92] by respondents – is hereby sustained.

IV. A Final Point.

As a final point of rumination, it must be highlighted that the CA's parameter of analysis in cases elevated to it from the NLRC is the existence of the latter's grave abuse of discretion, considering that they come before the appellate court through petitions for *certiorari*. This delimitation, in relation to the Court's task of reviewing the case eventually appealed before it, was explained in *Montoya v. Transmed Manila Corporation*[93] as follows:

> [W]e review in this Rule 45 petition the decision of the CA on a Rule 65 petition filed by Montoya with that court. In a Rule 45 review, we consider the correctness of the assailed CA decision, in contrast with the review for jurisdictional error that we undertake under Rule 65. Furthermore, Rule 45 limits us to the review of questions of law raised against the assailed CA decision. In ruling for legal correctness, we have to view the CA decision in the same context that the petition for *certiorari* it ruled upon was presented to it; we have to examine the CA decision from the prism of whether it correctly determined the presence or absence of grave abuse of discretion in the NLRC decision before it, not on the basis of whether the NLRC decision on the merits of the case was correct. In other words, we have to be keenly aware that the CA undertook a Rule 65 review, not a review on appeal, of the NLRC decision challenged before it. This is the approach that should be basic in a Rule 45 review of a CA ruling in a labor case. In question form, the question to ask is: Did the CA correctly determine whether the NLRC committed grave abuse of discretion in ruling on the case?[94]

Given that the NLRC's ruling was amply supported by the evidence on record and current jurisprudence on the subject matter, the Court, in opposition to the CA, finds that no grave abuse of discretion had been committed by the labor tribunal. Hence, the CA's grant of respondents' *certiorari* petition before it ought to be reversed, and consequently the NLRC Decision be reinstated.

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90 *United Philippine Lines Inc. v. Sibug*, G.R. No. 201072, April 2, 2014.

91 See LA Decision dated November 28, 2008 (CA *rollo*, p. 221) as affirmed *in toto* by the NLRC. (*rollo*, p. 39)

92 *Rollo*, p. 187.

93 613 Phil. 696 (2009).

94 Id. at 706-707; citations omitted.

WHEREFORE, the petition is **GRANTED**. The Decision dated March 28, 2011 and the Resolution dated August 26, 2011 of the Court of Appeals in CA-G.R. SP. No. 113835 are hereby **REVERSED** and **SET ASIDE** and the Decision dated November 10, 2009 of the National Labor Relations Commission is **REINSTATED**.

SO ORDERED.

ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice

TERESITA J. LEONARDO-DE CASTRO
Associate Justice
Acting Chairperson

MARIANO C. DEL CASTILLO
Associate Justice

JOSE PORTUGAL PEREZ
Associate Justice

A T T E S T A T I O N

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.

TERESITA J. LEONARDO-DE CASTRO
Associate Justice
Acting Chairperson, First Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Acting 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.

ANTONIO T. CARPIO
Acting Chief Justice