

****Title:**** Bacabac v. NYK-FIL Shipmanagement Inc. and NYK Shipmanagement PTE LTD.: A Sea of Controversies on Disability Benefits and the Presumption of Work-Relatedness

****Facts:****

Joemar Babiera Bacabac, the petitioner, was employed as an oiler by NYK-FIL Shipmanagement Inc., on behalf of NYK Shipmanagement Pte Ltd. (respondents), on November 25, 2011. He boarded the vessel MV IKI on December 8, 2011, under a nine-month contract. On March 11, 2012, while performing his duties, he experienced dizziness and abdominal pain, leading to his medical repatriation on May 21, 2012, after a series of treatments for severe acute cholangitis, including dialysis and surgery.

Bacabac filed a complaint for total and permanent disability benefits, among other claims, against the respondents before the labor arbiter, insisting work-relatedness of his condition. Initially, the labor arbiter awarded Bacabac full disability benefits and sickness allowance. However, the National Labor Relations Commission (NLRC) reversed this decision, supported by the Court of Appeals (CA), emphasizing Bacabac's failure to prove the work-relatedness of his illness. Bacabac then elevated the case to the Supreme Court through a Petition for Review on Certiorari under Rule 45 of the Rules of Court.

****Issues:****

1. Whether Bacabac's condition, severe acute cholangitis, is work-related and thus entitles him to disability benefits.
2. The role and adequacy of the company physician's report in determining work-relatedness and disability.
3. The application of presumptions and burden of proof under the POEA-Standard Employment Contract (POEA-SEC) concerning illness and its work-relatedness.

****Court's Decision:****

The Supreme Court granted Bacabac's petition, reversing the CA's decision and reinstating the labor arbiter's judgment with modifications. It hinged on several key points:

- The Court underscored the importance of integrating the POEA-SEC in resolving disability benefit claims and reiterated the disputable presumption of work-relatedness if the illness or injury manifests during the contract term.
- The Court found the company physician's report inadequately justified and lacking

comprehensive medical assessment, failing to effectively counter the presumption of work-relatedness. A “bare claim” that an illness is not work-related without substantive evidence or thorough explanation was deemed insufficient.

- By failing to submit a valid and conclusive report from the company physician within the prescribed 120-day (or 240-day) period post-repatriation, the law assumes the seafarer’s disability to be total and permanent, entitling Bacabac to disability benefits and sickness allowance.

****Doctrine:****

The case reinstates the principle that illnesses contracted during the term of a seafarer’s employment are presumptively work-related. Moreover, it emphasizes that the burden of proof to counter this presumption falls significantly on the employer, requiring a comprehensive and conclusive report from the company-designated physician.

****Class Notes:****

- ****Burden of Proof and Presumption:**** When a seafarer’s illness manifests during the contractual period, it is presumptively work-related. The employer must provide substantial evidence via a comprehensive medical report to overcome this presumption.

- ****Company-Designated Physician’s Role:**** The assessment of work-relatedness and disability must be detailed, justified, and timely. A mere assertion that an illness is not work-related without thorough medical justification is insufficient.

- ****Disability Benefits and Sickness Allowance:**** Under the POEA-SEC, seafarers are entitled to disability benefits and sickness allowance if their illness is presumed work-related and the employer fails to provide a substantive counter.

****Historical Background:****

This decision underlines the Supreme Court’s commitment to protecting the welfare of Filipino seafarers, highlighting the strict interpretation of labor contracts, especially those governed by the POEA-SEC. It showcases the judiciary’s role in balancing the evidentiary weight between employer-conducted medical assessments and statutory protections for seafarers, reinforcing a long-standing legal framework aimed at safeguarding the rights and wellbeing of workers in the maritime industry.