

****Title:****

Susan Co Dela Fuente vs. Fortune Life Insurance Co., Inc.: A Comprehensive Analysis on Life Insurance Claim Denial Due to Alleged Suicide

****Facts:****

Susan Co Dela Fuente invested a total of P16,000,000.00 in several installments in the lending business of Reuben Protacio from February to March 2011. On March 10, 2011, Reuben applied for a life insurance policy from Fortune Life Insurance Co., Inc., naming Susan as the revocable beneficiary, with a policy amount of P15,000,000.00. The policy included a clause on death by self-destruction within two years, stating that only premiums paid would be refundable in such cases.

Reuben died from a gunshot wound on April 15, 2011, just a month after the policy was issued. Susan sought to claim the insurance proceeds, but Fortune denied the claim on the ground of suicide, refunding only the paid premiums. Susan refused the refund and filed a complaint for a sum of money and damages against Fortune.

The RTC ruled in favor of Susan, awarding her P15,000,000.00 plus interest and attorney's fees. However, the CA overturned this decision, dismissing Susan's complaint based on evidence suggesting suicide. Susan contended that Reuben accidentally fired his gun while cleaning it.

Susan's appeal to the Supreme Court primarily questioned the CA's judgment on the grounds of the admissibility of evidence related to suicide and the extent of her insurable interest.

****Issues:****

1. Whether Fortune was barred by laches from questioning the timeliness of Susan's petition filing.
2. Whether the insurer, Fortune, carries the burden of proving that the insured's death was due to suicide.
3. The extent of Susan's entitlement as a creditor and the beneficiary of the policy, especially considering investments made after the policy's effectivity.

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

The Supreme Court held that:

1. ****Timeliness of Filing:**** Fortune was barred from raising issues about the timeliness of Susan's motion for reconsideration, as this was not objected to in the proper forum.

2. **Burden of Proof:** The insurer, Fortune, carries the burden of proving that the insured's death was due to an excepted risk, in this case, suicide, which they failed to fulfill. The court found the evidence presented (i.e., testimonies regarding the insured's intention and circumstances of death) insufficient to conclusively establish suicide.

3. **Entitlement as Creditor and Beneficiary:** Susan, having an insurable interest as a creditor to Reuben, is entitled to the insurance proceeds. However, she can only claim up to the extent of her investment reduced by any amount already recovered, thus totaling P14,000,000.00.

Doctrine:

1. **Insurer's Burden of Proof:** In cases of excepted risks, such as suicide, the insurer must prove the cause of death falls within the policy's exclusions.

2. **Insurable Interest of Creditor:** A creditor has an insurable interest in the life of the debtor up to the amount of the debt, and is entitled to recover from a life insurance policy taken by the debtor to the extent of such debt.

Class Notes:

- **Insurable Interest:** A person has an insurable interest when he stands in some legal or economical relation to the subject matter in such a manner that he would benefit from its existence and suffer from its destruction. In this case, Susan had an insurable interest as a creditor.

- **Excepted Risks and Burden of Proof:** An insurer wishing to deny a claim based on an excepted risk, such as suicide within a specified period from policy issuance, bears the burden of proving this exception.

- **Filing Timeliness and Laches:** Failure to timely object to procedural deficiencies can result in the barring of such objections at later stages due to laches.

Historical Background:

This case underscores the complexities of demonstrating evidence in life insurance claims involving alleged suicide and elucidates the principle that insurers carry the burden to conclusively prove excluded risks. It also highlights the importance of insurable interest and its extent in relation to creditor-beneficiary scenarios in life insurance policies in the Philippines.