

### Title:

\*\*Basilia Berdin Vda. De Consuegra, et al. vs. Government Service Insurance System, et al.\*\*

### Facts:

Jose Consuegra, a government employee and a member of the Government Service Insurance System (GSIS), had passed away leaving behind two families from two marriages. His first marriage with Rosario Diaz yielded two children, both predeceasing him. His second marriage, entered into in good faith while the first marriage was still subsisting, was with Basilia Berdin, producing seven children. Upon Consuegra's death, the GSIS paid his life insurance proceeds to Berdin and her children, as named beneficiaries. However, for his retirement insurance benefits, no beneficiary was designated. Both Diaz and Berdin filed claims with the GSIS for these benefits. The GSIS divided the benefits between Diaz (8/16 share) and Berdin with her children (8/16 collective share). Dissatisfied, Berdin and her children filed a petition for mandamus with the Court of First Instance of Surigao, requesting they be declared the sole legal heirs and exclusive beneficiaries. The court, relying on established jurisprudence, divided the retirement benefits equally between Diaz and Berdin with her children.

### Issues:

1. Whether the beneficiaries named in Jose Consuegra's life insurance policy should automatically be considered the exclusive beneficiaries of his retirement insurance benefits in the absence of a designated beneficiary.
2. The classification and separation of life insurance and retirement insurance under the GSIS.

### Court's Decision:

The Supreme Court affirmed the lower court's decision to equally divide the retirement insurance benefits between the two families. It clarified that GSIS offers two distinct systems of benefits: life insurance and retirement insurance, each governed by separate provisions and funded separately. The Court found no basis for treating beneficiaries of the life insurance as automatic beneficiaries for the retirement insurance. It was concluded that if no beneficiary is designated for the retirement insurance, the benefits should accrue to the legal heirs in accordance with law.

### Doctrine:

The Court established the autonomy of life insurance and retirement insurance benefits

under the GSIS, clarifying that the designation of beneficiaries in one does not automatically extend to the other. It -underscored the need for a clear designation of beneficiaries for each type of benefit, with the absence thereof resulting in the benefits being distributed according to legal succession.

### Class Notes:

1. **Life Insurance vs. Retirement Insurance Under GSIS**: Life and retirement insurance benefits under the GSIS are distinct, with separate beneficiaries possible for each.
2. **Beneficiaries Designation**: The designated beneficiaries in the life insurance policy of a GSIS member are not automatically the beneficiaries of the retirement insurance unless explicitly named.
3. **Legal Heirs in Absence of Designated Beneficiary**: If no beneficiary is designated for retirement insurance benefits, such benefits accrue to the estate of the deceased and are distributed according to the law of succession.
4. **Key Statutes and Provisions**: Commonwealth Act 186 (GSIS Law) as amended by R.A. 660 and subsequent acts; important sections include the division into chapters on life insurance (Sections 8, 9, 10) and retirement insurance (Sections 11, 12, 13, 13-A).

### Historical Background:

The case presents a complex issue arising from the intersection of family law and public service benefits law in the Philippines. It highlights the evolution of GSIS coverage and benefits through legislative amendments over the years, reflecting the government's aim to provide comprehensive social security to its employees. This case is situated against a backdrop of changing societal norms and legal frameworks addressing the complexities of marital relations and their impact on entitlement to government benefits.