

THE INSULAR LIFE ASSURANCE, COMPANY, LTD., PETITIONER, VS. COURT OF APPEALS AND CESAR M. RAMOS, RESPONDENT.

G.R. No. L-31991. July 31, 1972

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

This is a petition for review of the decision of the Court of Appeals, filed by the Insular Life Assurance Company, Ltd., on the sole issue of whether or not an insured may surrender his life insurance policy for its cash surrender value without obtaining the consent therefor of the irrevocable beneficiaries designated in the policy.

There is no dispute as to the facts of this case.

Cesar M. Ramos took out a P5,000.00 insurance on his life under the endowment plan from the Insular Life Assurance Company, Ltd., and was issued on 1 November 1958 policy No. 312124. Designated as irrevocable beneficiaries in the policy were "Angelina V. Ramos, wife of the insured, if living; otherwise, Erlinda, Cesar, Jr., Randolph, Ranilito and Elizabeth, all surnamed Ramos", minor children of the insured.

On 10 October 1968, and presumably during the lifetime of his wife, the insured offered to surrender the policy to the insurer as expressly provided for in the policy, for its cash surrender value, which then amounted to P831.72. The insurer however required, for its acceptance of the tender, the consent of all the designated irrevocable beneficiaries and the necessary court authority for the guardian of the minor contingent beneficiaries to give consent to the surrender of the policy. As the insured objected to this requirement and failed to submit the needed consent, the insurer refused to allow the surrender of the policy.

The insured, Cesar M. Ramos, went to the City Court, and the case reached the Court of First Instance which ordered the insurer to pay to him the sum of P831.72, with legal interest thereon from 10 October 1968. On appeal by the insurer, the Court of Appeals affirmed the judgment of the lower court and sustained the right of the insured to avail of the option (granted to him under the policy) to surrender said policy for its net cash value. The insurer filed the present petition, raising the same issue litigated by the parties in the court below.

Because the beneficiaries of the policy had a clear interest in the issues being litigated, this Court, by resolution of 7 July 1972, required their appearance and for them to state whether or not they are agreeable to the surrender of the policy in question by the insured Cesar M. Ramos in exchange of its cash value. On 27 July 1972, the beneficiaries filed in this Court a Manifestation signed by all of them expressing interalia that they are themselves unable to pay the premiums on the policy and that "we are all agreeable to the surrender of Policy No. 312124, in exchange of its cash value rather than allow the policy to lapse".

Besides the lack of merit of the petition (*Stahel vs. Prudential Ins. Co. of America*, 189 Minn. 405, 249 NW. 713), conformity of the beneficiaries had cured all the objections of the petitioner Insurance Company thereby rendering this appeal moot and academic.

WHEREFORE, the present appeal from the decision of the Court of Appeals is ordered dismissed as moot. No

costs.

Concepcion, C.J., Makalintal, Zaldivar, Castro, Fernando, Teehankee, Barredo, Makasiar, Antonio, and Esguerra, JJ., concur.

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