

**FRANCISCO G. ALEJA, FELICITACION GAMBOA-ALEJA AND  
DOMINADOR ALEJA, PLAINTIFFS AND APPELLANTS, VS.  
GOVERNMENT SERVICE INSURANCE SYSTEM, DEFENDANT AND  
APPELLEE.**

*G. R. No. L-18529. February 26, 1965*

Ponente: BARRERA, J.

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**BARRERA, J.:**

This is an appeal by Francisco G. Aleja, et al., from the decision of the Court of First Instance of Nueva Ecija (in Civil Case No. 3335) dismissing their complaint against the Government Service Insurance System (GSIS) and denying their claim to the proceeds of the insurance policy No. 310973 issued to the late Rosauo G. Aleja, on the ground that the deceased was not covered by insurance at the time of his death.

As found by the lower court, the deceased Rosauo G. Aleja was appointed as temporary classroom teacher in the Bureau of Public Schools, Division of Nueva Ecija, on July 8, 1958. Thereafter, a compulsory term insurance policy, No. 310973, was issued in his name, said policy to take effect on February 1, 1959. The corresponding premium therefor was deducted for the first time from his salary on January 31, 1959. However, two days before that or on January 29, 1959, while guarding the rice stack in front of their house, Rosauo Aleja died of a gunshot wound inflicted by his own gun. Plaintiffs, as beneficiaries named in the policy, filed a claim with the GSIS to collect the proceeds of the said policy, but the same was denied allegedly because at the time of Aleja's death, the policy was not yet effective and the latter was, therefore, not covered by insurance. Hence, the institution of this case and the consequent promulgation of the decision by the lower court which is the subject of the Present appeal.

In denying plain tiffs-appellants' claim, the GSIS contends although Aleja became a permanent employee and entitled to membership in the System 6 months after his original appointment, or on January 8, 1959, yet as specified in the policy issued to him, the same shall become effective only on February 1, 1959. And this latter date was fixed in accordance with the provisions of Commonwealth Act 186, as amended by Republic Act 660, which read:

"SEC. 4.Scope of application of System. (a) Membership to the System shall be compulsory upon all regularly and permanently appointed employees, including those whose tenure of office is fixed or limited by law; upon all teachers except only those who are substitutes; \* \* \*.

"SEC. 8. (a) Compulsory membership insurance. n employee whose membership in the System is compulsory shall be automatically insured on the first day of the seventh calendar month following the month he was appointed or on the first day of the sixth calendar month if the date of his appointment is the first day of the month: Provided, That his medical examination, if required, has been approved by the System."

It is not controverted that the deceased had rendered services to the government for 6 months and 21 days before his death; that he was insured and in fact a policy was already issued in his favor at the time of his death; that the

date fixed for the effectivity of said policy was made pursuant to the aforequoted provisions of the GSIS Charter. Appellants, however, maintain that section 8 of Commonwealth Act 186, insofar as it fixes the date of compulsory membership therein, is absurd and discriminatory, in that, whereas those whose appointments are dated on the first day of the month become covered by insurance on the first day of the sixth month following their appointment, those who were appointed on other dates become insured only on the first day of the seventh calendar month from their original appointment. In other words, if an employee is appointed on January 1, he will be covered by insurance on June 1, whereas one who gets appointed on January 2 becomes insured only on July 1. This arrangement, appellants claim, was made only to facilitate office transactions or for office procedure, and should not be construed to defeat the purpose for which the System was established i.e., to promote the welfare of the employees. It is, therefore, urged that the coverage of compulsory insurance should commence on the date when the employee becomes entitled to membership in the System, or upon completion of six months service.

It may be admitted that as thus worded, the disputed provision makes a distinction, in the matter of effectivity the service on the first day of the month and those who of their insurance coverage, between those appointed to receive their appointments on any other date. But classification or class legislation, assuming this to be one, does not ipso facto make a statutory provision invalid. Classification will not constitute an infringement of the individual's right to constitutional guarantees of equality if it is not unreasonable, arbitrary or capricious. To be reasonable, the classification must be based on substantial distinctions which make real differences; must be germane to the purposes of the law; must not be limited to existing conditions only, and must apply equally to each member of the class, under similar conditions. [[1]]

In the instant case, it may be true that the disputed provision must have been incorporated in the law to promote efficiency and convenience in office procedure of the System. Taking into account the volume of business that the System handles, the providing of this measure which ultimately may redound to the benefit of the members in the form of efficient and prompt service, cannot be considered capricious or arbitrary.

Furthermore, it appears that the policy issued and accepted by Aleja during his lifetime specifically provides that the effective date of the insurance contract is February 1, 1959. Additionally, it is not denied that the first premium on said insurance contract was deducted from Aleja's salary only on January 31, 1959 or after his death. Clearly, at the time of his said death, there Lacuna vs. Board of Liquidators, et al. was no existing contract between him and the appellee GSIS, there being no consideration for the risk sought to be enforced against the insurance system. The offer of the latter to refund the amount collected after Aleja's death, is proper.

WHEREFORE, the decision of the lower court appealed from is hereby modified in the sense that the defendant-appellee shall return to the plaintiffs the amount deducted from the deceased's salary in the form of premium. No costs.

### **SO ORDERED.**

Bengzon, C. J. Concepcion, Reyes, J.B.L., Paredes, Dizon, Regala, Makalintal, Bengzon, J.P. and Zaldivar, JJ., concur.

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[1] People vs. Solon, 110 Phil., 39; People vs. Vera, 65 Phil. 56; Laurel vs. Misa, 76 Phil., 372.; 42 Off. Gaz., 2847.

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