

MAPALAD AISPORNA, PETITIONER, VS. THE COURT OF APPEALS AND THE PEOPLE OF THE PHILIPPINES, RESPONDENTS.

G.R. No. L-39419. April 12, 1982

Ponente: DE CASTRO*, J.

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DE CASTRO*, J.:

In this petition for certiorari, petitioner-accused Aisporna seeks the reversal of the decision dated August 14, 1974[1] in CA-G.R. No. 13243-CR entitled "People of the Philippines, plaintiff-appellee, vs. Mapalad Aisporna, defendant-appellant" of respondent Court of Appeals affirming the judgment of the City Court of Cabanatuan[2] rendered on August 2, 1971 which found the petitioner guilty for having violated Section 189 of the Insurance Act (Act No. 2427, as amended) and sentenced her to pay a fine of P500.00 with subsidiary imprisonment in case of insolvency, and to pay the costs.

Petitioner Aisporna was charged in the City Court of Cabanatuan for violation of Section 189 of the Insurance Act on November 21, 1970 in an information[3] which reads as follows:

"That on or before the 21st day of June, 1969, in the City of Cabanatuan, Republic of the Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, did then and there, willfully, unlawfully and feloniously act as agent in the solicitation or procurement of an application for insurance by soliciting therefor the application of one Eugenio S. Isidro, for and in behalf of Perla Compania de Seguros, Inc., a duly organized insurance company, registered under the laws of the Republic of the Philippines, resulting in the issuance of a Broad Personal Accident Policy No. 28PI-RSA 0001 in the amount not exceeding FIVE THOUSAND PESOS (P5,000.00) dated June 21, 1969, without said accused having first secured a certificate of authority to act as such agent from the office of the Insurance Commissioner, Republic of the Philippines.

"CONTRARY TO LAW."

The facts,[4] as found by the respondent Court of Appeals are quoted hereunder:

"IT RESULTING: That there is no debate that since 7 March, 1969 and as of 21 June, 1969, appellant's husband, Rodolfo S. Aisporna was duly licensed by Insurance Commission as agent to Perla Compania de Seguros, with license to expire on 30 June, 1970, Exh. C; on that date, at Cabanatuan City, Personal Accident Policy, Exh. D was issued by Perla thru its authorized representative, Rodolfo S. Aisporna, for a period of twelve (12) months with beneficiary as Ana M. Isidro, and for P5,000.00; apparently, insured died by violence during lifetime of policy, and for reasons not explained in record, present information was filed by Fiscal, with assistance of private prosecutor, charging wife of Rodolfo with violation of Sec. 189 of Insurance Law for having, willfully, unlawfully, and feloniously acted,

'as agent in the solicitation for insurance by soliciting therefore the application of one Eugenio S. Isidro for and in behalf of Perla Compañía de Seguros, x x x without said accused having first secured a certificate of authority to act as such agent from the office of the Insurance Commission, Republic of the Philippines.'

and in the trial, People presented evidence that was hardly disputed, that aforementioned policy was issued with active participation of appellant wife of Rodolfo, against which appellant in her defense sought to show that being the wife of true agent, Rodolfo, she naturally helped him in his work, as clerk, and that policy was merely a renewal and was issued because Isidro had called by telephone to renew, and at that time, her husband, Rodolfo, was absent and so she left a note on top of her husband's desk to renew x x x."

Consequently, the trial court found herein petitioner guilty as charged. On appeal, the trial court's decision was affirmed by the respondent appellate court finding the petitioner guilty of a violation of the first paragraph of Section 189 of the Insurance Act. Hence, this present recourse was filed on October 22, 1974.[5]

In its resolution of October 28, 1974,[6] this Court resolved, without giving due course to this instant petition, to require the respondent to comment on the aforesaid petition. In the comment[7] filed on December 20, 1974, the respondent, represented by the Office of the Solicitor General, submitted that petitioner may not be considered as having violated Section 189 of the Insurance Act.[8] On April 3, 1975, petitioner submitted his Brief[9] while the Solicitor General, on behalf of the respondent, filed a manifestation[10] in lieu of a Brief on May 3, 1975 reiterating his stand that the petitioner has not violated Section 189 of the Insurance Act.

In seeking reversal of the judgment of conviction, petitioner assigns the following errors[11] allegedly committed by the appellate court:

"1. THE RESPONDENT COURT OF APPEALS ERRED IN FINDING THAT RECEIPT OF COMPENSATION IS NOT AN ESSENTIAL ELEMENT OF THE CRIME DEFINED BY THE FIRST PARAGRAPH OF SECTION 189 OF THE INSURANCE ACT.

"2. THE RESPONDENT COURT OF APPEALS ERRED IN GIVING DUE WEIGHT TO EXHIBITS F, F-1, TO F-17, INCLUSIVE SUFFICIENT TO ESTABLISH PETITIONER'S GUILT BEYOND REASONABLE DOUBT.

"3. THE RESPONDENT COURT OF APPEALS ERRED IN NOT ACQUITTING HEREIN PETITIONER."

We find the petition meritorious.

The main issue raised is whether or not a person can be convicted of having violated the first paragraph of Section 189 of the Insurance Act without reference to the second paragraph of the same section. In other words, it is necessary to determine whether or not the agent mentioned in the first paragraph of the aforesaid section is governed by the definition of an insurance agent found on its second paragraph.

The pertinent provision of Section 189 of the Insurance Act reads as follows:

"No insurance company doing business within the Philippine Islands, nor any agent thereof, shall pay any commission or other compensation to any person for services in obtaining new insurance, unless such person shall have first procured from the Insurance Commissioner a certificate of authority to act as an agent of such company as hereinafter provided. No person shall act as agent, subagent, or broker in the solicitation of procurement of applications for insurance, or receive for services in obtaining new insurance, any commission or other compensation from any insurance company doing business in the Philippine Islands, or agent thereof, without first procuring a certificate of authority so to act from the Insurance Commissioner, which must be renewed annually on the first day of January, or within six months thereafter. Such certificate shall be issued by the Insurance Commissioner only upon the written application of persons desiring such authority, such application being approved and countersigned by the company such person desires to represent, and shall be upon a form approved by the Insurance Commissioner, giving such information as he may require. The Insurance Commissioner shall have the right to refuse to issue or renew and to revoke any such certificate in his discretion. No such certificate shall be valid, however, in any event after the first day of July of the year

following the issuing of such certificate. Renewal certificates may be issued upon the application of the company.

"Any person who for compensation solicits or obtains insurance on behalf of any insurance company, or transmits for a person other than himself an application for a policy of insurance to or from such company or offers or assumes to act in the negotiating of such insurance, shall be an insurance agent within the intent of this section, and shall thereby become liable to all the duties, requirements, liabilities, and penalties to which an agent of such company is subject.

"Any person or company violating the provisions of this section shall be fined in the sum of five hundred pesos. On the conviction of any person acting as agent, subagent, or broker, of the commission of any offense connected with the business of insurance, the Insurance Commissioner shall immediately revoke the certificate of authority issued to him and no such certificate shall thereafter be issued to such convicted person."

A careful perusal of the above-quoted provision shows that the first paragraph thereof prohibits a person from acting as agent, subagent or broker in the solicitation or procurement of applications for insurance without first procuring a certificate of authority so to act from the Insurance Commissioner, while its second paragraph defines who is an insurance agent within the intent of this section and, finally, the third paragraph thereof prescribes the penalty to be imposed for its violation.

The respondent appellate court ruled that the petitioner is prosecuted not under the second paragraph of Section 189 of the aforesaid Act but under its first paragraph. Thus -

"x x x it can no longer be denied that it was appellant's most active endeavors that resulted in issuance of policy to Isidro, she was there and then acting as agent, and received the pay therefor - her defense that she was only acting as helper of her husband can no longer be sustained, neither her point that she received no compensation for issuance of the policy because

'any person who for compensation solicits or obtains insurance on behalf of any insurance company or transmits for a person other than himself an application for a policy of insurance to or from such company or offers or assumes to act in the negotiating of such insurance, shall be an insurance agent within the intent of this section, and shall thereby become liable to all the duties, requirements, liabilities, and penalties, to which an agent of such company is subject.' paragraph 2, Sec. 189, Insurance Law,

now it is true that information does not even allege that she had obtained the insurance,

'for compensation'

which is the gist of the offense in Section 189 of the Insurance Law in its 2nd paragraph, but what appellant apparently overlooks is that she is prosecuted not under the 2nd but under the 1st paragraph of Sec. 189 wherein it is provided that,

'No person shall act as agent, subagent, or broker, in the solicitation or procurement of applications for insurance, or receive for services in obtaining new insurance any commission or other compensation from any insurance company doing business in the Philippine Island, or agent thereof, without first procuring a certificate of authority to act from the insurance commissioner, which must be renewed annually on the first day of January, or within six months thereafter.'

therefore, there was no technical defect in the wording of the charge, so that Errors 2 and 4 must be overruled."^[12]

From the above-mentioned ruling, the respondent appellate court seems to imply that the definition of an insurance agent under the second paragraph of Section 189 is not applicable to the insurance agent mentioned in

the first paragraph. Parenthetically, the respondent court concludes that under the second paragraph of Section 189, a person is an insurance agent if he solicits and obtains an insurance for compensation, but, in its first paragraph, there is no necessity that a person solicits an insurance for compensation in order to be called an insurance agent.

We find this to be a reversible error. As correctly pointed out by the Solicitor General, the definition of an insurance agent as found in the second paragraph of Section 189 is intended to define the word "agent" mentioned in the first and second paragraphs of the aforesaid section. More significantly, in its second paragraph, it is explicitly provided that the definition of an insurance agent is within the intent of Section 189. Hence -

"Any person who for compensation x x x shall be an insurance agent within the intent of this section, x x x."

Patently, the definition of an insurance agent under the second paragraph holds true with respect to the agent mentioned in the other two paragraphs of the said section. The second paragraph of Section 189 is a definition and interpretative clause intended to qualify the term "agent" mentioned in both the first and third paragraphs of the aforesaid section.

Applying the definition of an insurance agent in the second paragraph to the agent mentioned in the first and second paragraphs would give harmony to the aforesaid three paragraphs of Section 189. Legislative intent must be ascertained from a consideration of the statute as a whole. The particular words, clauses and phrases should not be studied as detached and isolated expressions, but the whole and every part of the statute must be considered in fixing the meaning of any of its parts and in order to produce harmonious whole.[13] A statute must be so construed as to harmonize and give effect to all its provisions whenever possible.[14] The meaning of the law, it must be borne in mind, is not to be extracted from any single part, portion or section or from isolated words and phrases, clauses or sentences but from a general consideration or view of the act as a whole.[15] Every part of the statute must be interpreted with reference to the context. This means that every part of the statute must be considered together with the other parts, and kept subservient to the general intent of the whole enactment, not separately and independently.[16] More importantly, the doctrine of associated words (*Noscitur a Sociis*) provides that where a particular word or phrase in a statement is ambiguous in itself or is equally susceptible of various meanings, its true meaning may be made clear and specific by considering the company in which it is found or with which it is associated.[17]

Considering that the definition of an insurance agent as found in the second paragraph is also applicable to the agent mentioned in the first paragraph, to receive a compensation by the agent is an essential element for a violation of the first paragraph of the aforesaid section. The appellate court has established ultimately that the petitioner-accused did not receive any compensation for the issuance of the insurance policy of Eugenio Isidro. Nevertheless, the accused was convicted by the appellate court for, according to the latter, the receipt of compensation for issuing an insurance policy is not an essential element for a violation of the first paragraph of Section 189 of the Insurance Act.

We rule otherwise. Under the Texas Penal Code 1911, Article 689, making it a misdemeanor for any person for direct or indirect compensation to solicit insurance without a certificate of authority to act as an insurance agent, an information, failing to allege that the solicitor was to receive compensation either directly or indirectly, charges no offense.[18] In the case of *Bolen vs. Stake*,[19] the provision of Section 3750, Snyder's Compiled Laws of Oklahoma 1909 is intended to penalize persons only who acted as insurance solicitors without license, and while acting in such capacity negotiated and concluded insurance contracts for compensation. It must be noted that the information, in the case at bar, does not allege that the negotiation of an insurance contract by the accused with Eugenio Isidro was one for compensation. This allegation is essential, and having been omitted, a conviction of

the accused could not be sustained. It is well-settled in Our jurisprudence that to warrant conviction, every element of the crime must be alleged and proved.[20]

After going over the records of this case, We are fully convinced, as the Solicitor General maintains, that accused did not violate Section 189 of the Insurance Act.

WHEREFORE, the judgment appealed from is reversed and the accused is acquitted of the crime charged, with costs de oficio.

SO ORDERED.

Teehankee, Acting C.J., Makasiar, Fernandez, Guerrero, and Melencio-Herrera, JJ., concur.
Plana, J., no part.

[*] Mr. Justice de Castro was designated to sit with the First Division under Special Order No. 225.

[1] p. 21, Rollo.

[2] p. 11, CA Rollo.

[3] p. 10, CA Rollo.

[4] pp. 21-22, Rollo.

[5] p. 7, Rollo.

[6] p. 36, Rollo.

[7] p. 51, Rollo.

[8] p. 58, Rollo.

[9] p. 69, Rollo.

[10] p. 71, Rollo.

[11] p. 69, Rollo; p. 6, Brief for the Petitioner.

[12] pp. 25 and 26, Rollo.

[13] Araneta vs. Concepcion, 99 Phil. 709; Tamayo vs. Gsell, 35 Phil. 953; Lopez vs. El Hogar Filipino, 47 Phil. 249; Chartered Bank vs. Imperial, 48 Phil. 931.

[14] People vs. Polmon, 86 Phil. 350.

[15] 82 C.J.S., Section 345, pp. 699-700.

[16] Tamayo vs. Gsell, 35 Phil. 953.

[17] Co Kim Cham vs. Valdez Tan Keh & Dizon, 75 Phil. 371.

[18] Jasper vs. State, 73 Tex. Cr. R 197; 164 S.W. 851.

[19] 149 p. 1074, 11 Okla. Crim. 594.

[20] People vs. Sy Gesiong, 60 Phil. 614.

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