

**THE INSULAR LIFE ASSURANCE COMPANY, LTD.,
PLAINTIFF-APPELLEE, VS. CARPONIA T. EBRADO AND PASCUALA
VDA. DE EBRADO, DEFENDANTS-APPELLANTS.**

G.R. No. L-44059. October 28, 1977

Ponente: MARTIN, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/afeed159590c/>

MARTIN, J.:

This is a novel question in insurance law: Can a common-law wife named as beneficiary in the life insurance policy of a legally married man claim the proceeds thereof in case of death of the latter?

On September 1, 1968, Buenaventura Cristor Ebrado was issued by The Insular Life Assurance Co., Ltd., Policy No. 009929 on a whole-life plan for P5,882.00 with a rider for Accidental Death Benefits for the same amount. Buenaventura C. Ebrado designated Carponia T. Ebrado as the revocable beneficiary in his policy. He referred to her as his wife.

On October 21, 1969, Buenaventura C. Ebrado died as a result of an accident when he was hit by a falling branch of a tree. As the insurance policy was in force, The Insular Life Assurance Co., Ltd. stands liable to pay the coverage in the total amount of P11,745.73, representing the face value of the policy in the amount of P5,882.00 plus the additional benefits for accidental death also in the amount of P5,882.00 and the refund of P18.00 paid for the premium due November, 1969, minus the unpaid premiums and interest thereon due for January and February, 1969, in the sum of P36.27.

Carponia T. Ebrado filed with the insurer a claim for the proceeds of the policy as the designated beneficiary there-in, although she admits that she and the insured Buenaventura C. Ebrado were merely living as husband and wife without the benefit of marriage.

Pascuala Vda. de Ebrado also filed her claim as the widow of the deceased insured. She asserts that she is the one entitled to the insurance proceeds, not the common-law wife, Carponia T. Ebrado.

In doubt as to whom the insurance proceeds shall be paid, the insurer, The Insular Life Assurance Co., Ltd. commenced an action for Interpleader before the Court of First Instance of Rizal on April 29, 1970.

After the issues have been joined, a pre-trial conference was held on July 8, 1972, after which, a pre-trial order was entered reading as follows:

"During the pre-trial conference, the parties manifested to the court that there is no possibility of amicable settle-ment. Hence, the Court proceeded to have the parties submit their evidence for the purposes of the pre-trial and make admis-sions for the purpose of pre-trial. During this conference, parties Carponia T. Ebrado and Pascuala Ebrado agreed and stipulated: 1) that the deceased Buenaventura Ebrado was married to Pascuala Ebrado with whom she has six --- (legitimate) namely; Hernando, Cresencio, Elsa, Erlinda, Felizardo and Helen, all surnamed Ebrado; 2) that during the lifetime of the deceased, he was insured with Insular Life Assurance Co. under Policy No. 009929 whole life plan, dated September 1, 1968 for the sum of P5,882.00

with the rider for accidental death benefit as evidenced by Exhibits A for plaintiffs and Exhibit 1 for the defendant Pascuala and Exhibit 7 for Carponia Ebrado; 3) that during the lifetime of Buenaventura Ebrado, he was living with his common-law wife, Carponia Ebrado, with whom she had 2 children although he was not legally separated from his legal wife; 4) that Buenaventura Ebrado died by accident on October 21, 1969 as evidenced by the death certificate Exhibit 3 and affidavit of the police report of his death Exhibit 5; 5) that complainant Carponia Ebrado filed claim with the Insular Life Assurance Co. which was contested by Pascuala Ebrado who also filed claim for the proceeds of said policy; 6) that in view of the adverse claims the insurance company filed this action against the two herein claimants Carponia and Pascuala Ebrado; 7) that there is now due from the Insular Life Assurance Co. as proceeds of the policy P11,745.73; 8) that the beneficiary designated by the insured in the policy is Carponia Ebrado and the insured made reservation to change the beneficiary but although the insured made the option to change the beneficiary, same was never changed up to the time of his death and the legal wife did not have any opportunity to write the company that there was reservation to change the designation of the beneficiary; and 9) the parties agreed that a decision be rendered based on this agreement and stipulation of facts as to who among the two claimants is entitled to the policy.

"Upon motion of the parties, they are given ten (10) days to file their simultaneous memoranda from the receipt of this order.

SO ORDERED."

On September 25, 1972, the trial court rendered judgment declaring, among others, Carponia T. Ebrado disqualified from becoming beneficiary of the insured Buenaventura Cristor Ebrado and directing the payment of the insurance proceeds to the estate of the deceased insured. The trial court held:

"It is patent from the last paragraph of Art. 739 of the Civil Code that a criminal conviction for adultery or concubinage is not essential in order to establish the disqualification mentioned therein. Neither is it also necessary that a finding of such guilt or commission of those acts be made in a separate independent action brought for the purpose. The guilt of the donee (beneficiary) may be proved by preponderance of evidence in the same proceeding (the action brought to declare the nullity of the donation).

It is, however, essential that such adultery or concubinage exists at the time defendant Carponia T. Ebrado was made beneficiary in the policy in question for the disqualification and incapacity to exist and that it is only necessary that such fact be established by preponderance of evidence in the trial. Since it is agreed in their stipulation above-quoted that the deceased insured and defendant Carponia T. Ebrado were living together as husband and wife without being legally married and that the marriage of the insured with the other defendant Pascuala Vda. de Ebrado was valid and still existing at the time the insurance in question was purchased there is no question that defendant Carponia T. Ebrado is disqualified from becoming the beneficiary of the policy in question and as such she is not entitled to the proceeds of the insurance upon the death of the insured."

From this judgment, Carponia T. Ebrado appealed to the Court of Appeals, but on July 11, 1976, the Appellate Court certified the case to Us as involving only questions of law.

We affirm the judgment of the lower court.

1. It is quite unfortunate that the Insurance Act (RA 2327, as amended) or even the new Insurance Code (PD No. 612, as amended) does not contain any specific provision grossly resolutive of the prime question at hand. Section 50 of the Insurance Act which provides that "(t)he insurance shall be applied exclusively to the proper interest of the person in whose name it is made"[1] cannot be validly seized upon to hold that the same includes the beneficiary. The word "interest" highly suggests that the provision refers only to the "insured" and not to the beneficiary, since a contract of insurance is personal in character.[2] Otherwise, the prohibitory laws against illicit relationships especially on property and descent will be rendered nugatory, as the same could easily be

circumvented by modes of in-surance. Rather, the general rules of civil law should be applied to resolve this void in the Insurance Law. Article 2011 of the New Civil Code states: "The contract of insurance is governed by special laws. Matters not expressly provided for in such special laws shall be regulated by this Code." When not otherwise specifically provided for by the Insurance Law, the contract of life insurance is governed by the general rules of the civil law regulating contracts.[3] And under Article 2012 of the same Code, "any person who is forbidden from receiving any donation under Article 739 cannot be named beneficiary of a life insurance policy by the person who cannot make a donation to him." [4] Common-law spouses are, definitely, barred from receiving donations each other. Article 739 of the new Civil Code provides:

"The following donations shall be void:

"1. Those made between persons who were guilty of adultery or concubinage at the time of donation;

"2. Those made between persons found guilty of the same criminal offense, in consideration thereof;

"3. Those made to a public officer or his wife, descendants or ascendants by reason of his office.

"In the case referred to in No. 1, the action for declaration of nullity may be brought by the spouse of the donor or donee; and the guilt of the donee may be proved by preponderance of evidence in the same action."

2. In essence, a life insurance policy is no different from a civil donation insofar as the beneficiary is concerned. Both are founded upon the same consideration: liberality. A beneficiary is like a donee, because from the premiums of the policy which the insured pays out of liberality, the beneficiary will receive the proceeds or profits of said in-surance. As a consequence, the proscription in Article 739 of the new Civil Code should equally operate in life insurance contracts. The mandate of Article 2012 cannot be laid aside: any person who cannot receive a donation cannot be named as beneficiary in the life insurance policy of the person who cannot make the donation.[5] Under American law, a policy of life insurance is considered as a testament and in construing it, the courts will, so far as possible treat it as a will and determine the effect of a clause designating the beneficiary by rules under which wills are interpreted.[6]

3. Policy considerations and dictates of morality rightly justify the institution of a barrier between common-law spouses in regard to property relations since such re-relationship ultimately encroaches upon the nuptial and filial rights of the legitimate family. There is every reason to hold that the bar in donations between legitimate spouses and those between illegitimate ones should be enforced in life insurance policies since the same are based on similar consideration. As above pointed out, a beneficiary in a life insurance policy is no different from a donee. Both are recipients of pure beneficence. So long as marriage remains the threshold of family laws, reason and morality dictate that the impediments imposed upon married couple should likewise be imposed upon extra-marital relationship. If legitimate relationship is circumscribed by these legal disabilities, with more reason should an illicit relationship be restricted by these disabilities. Thus, in *Matabuena v. Cervantes*, [7] this Court, through Justice Fernando, said:

"If the policy of the law is, in the language of the opinion of the then Justice J.B.L. Reyes of that court (Court of Appeals), 'to prohibit donations in favor of the other consort and his descendants because of fear and undue and improper pressure and influence upon the donor, a prejudice deeply rooted in our ancient law; "por que no se engañen despojandose el uno al otro por amor que han de consuno" (according to) the Partidas (Part IV, Tit. XI, LAW IV), reiterating the rationale "No mutuato amore invicem spoliarentur" of the Pandects (Bk. 24, Tit. I, De donat, inter virum et uxorem); then there is every reason to apply the same prohibitive policy to persons living together as husband and wife without the benefit of nuptials. For it is not to be doubted that assent to such irregular connection for thirty years bespeaks greater influence of one party over the other, so that the danger that the law seeks to avoid is correspondingly increased. Moreover, as already pointed out by Ulpian (in his lib. 32 ad Sabinum, fr. 1), 'it would not be just that such donations should subsist, lest the condition of those

who incurred guilt should turn out to be better.' So long as marriage remains the cornerstone of our family law, reason and morality alike demand that the dis-abilities attached to marriage should like-wise attach to concubinage.

It is hardly necessary to add that even in the absence of the above pronounce-ment, any other conclusion cannot stand the test of scrutiny. It would be to indict the framers of the Civil Code for a failure to apply a laudable rule to a situation which in its essentials cannot be distinguished. Moreover, if it is at all to be differentiated the policy of the law which embodies a deeply rooted notion of what is just and what is right would be nullified if such irregular re-lationship instead of being visited with dis-abilities would be attended with benefits. Certainly a legal norm should not be susceptible to such a reproach. If there is every any occasion where the principle of statutory construction that what is within the spirit of the law is as much a part of it as what is written, this is it. Otherwise the basic purpose discernible in such codal provision would not be attained. Whatever omission may be apparent in an interpretation purely literal of the language used must be remedied by an adherence to its avowed objective."

4. We do not think that a conviction for adultery or concubinage is exacted before the disabilities mentioned in Article 739 may effectuate. More specifically, with regard to the disability on "persons who were guilty of adultery or concubinage at the time of the donation," Article 739 itself provides:

"In the case referred to in No. 1, the action for declaration of nullity may be brought by the spouse of the donor or donee; and the guilt of the donee may be proved by preponderance of evidence in the same action."

The underscored clause neatly conveys that no criminal conviction for the disqualifying offense is a condition precedent. In fact, it cannot even be gleaned from the aforequoted provi-sion that a criminal prosecution is needed. On the contrary, the law plainly states that the guilt of the party may be proved "in the same action" for declaration of nullity of donation. And, it would be sufficient if evidence preponderates upon the guilt of the consort for the offense indicated. The quan-tum of proof in criminal cases is not demanded.

In the case before Us, the requisite proof of common-law relationship between the insured and the beneficiary has been conveniently supplied by the stipulations between the parties in the pre-trial conference of the case. It was agreed upon and stipulated therein that the deceased insured Buena-ventura C. Ebrado was married to Pascuala Ebrado with whom she has six legitimate children; that during his lifetime, the deceased insured was living with his common-law wife, Carponia Ebrado, with whom he has two children. These stipulations are nothing less than judicial admissions which, as a consequence, no longer require proof and cannot be contradicted.[8] A fortiori, on the basis of these admissions, a judgment may be validly rendered without going through the rigors of a trial for the sole purpose of proving the illicit liaison between the insured and the beneficiary. In fact, in that pre-trial, the parties even agreed "that a decision be rendered based on this agreement and stipulation of facts as to who among the two claimants is entitled to the policy."

ACCORDINGLY, the appealed judgment of the lower court is hereby affirmed. Car-ponia T. Ebrado is hereby declared disqualified to be the beneficiary of the late Buenaventura C. Ebrado in his life insurance policy. As a consequence, the proceeds of the policy are hereby held payable to the estate of the deceased insured. Costs against Carponia T. Ebrado.

SO ORDERED.

Teehankee, (Chairman), Makasiar, Muñoz Palma, Fernandez, and Guerrero, JJ., concur.

[1] Sec. 53 of PD 612 provides: "The insurance proceeds shall be applied exclusively to the proper interest of the person in whose name or for whose benefit it is made unless otherwise specified in the policy."

[2] See Vance, at 99.

[3] *Musñgi v. West Coast Life Insurance Co.*, 61 Phil. 867 (1935).

[4] See Tolentino, Civil Code, Vol. II, 1972 ed., at 525-26.

[5] See Padilla, Civil Code Anno., Vol. VI, 1974 ed., at 501.

[6] 44 Am Jur 2d 639.

[7] 38 SCRA 287-88 (1971).

[8] *PVTA v. Delos Angeles*, 61 SCRA 489 (1974).

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.