

**WILLIAMS EQUIPMENT CO. LTD., PETITIONER, VS.
WORKMEN'S COMPENSATION COMMISSION AND RUBEN R.
NAPISA, RESPONDENTS.**

G.R. No. L-41710. October 12, 1977

Ponente: MARTIN, J.

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MARTIN, J.:

Petition for review of the decision of the Workmen's Compensation Commission in WC Case No. RPO-A-6471 promulgated on October 2, 1975.

On December 27, 1957, respondent-claimant Ruben Napisa (hereinafter referred to as claimant) was employed by the petitioner as the manager of its refrigeration, air conditioning and service department with a monthly salary of P2,000.00. While acting as such, claimant suffered cerebral thrombosis on August 10, 1973. This was followed by a cerebral stroke on October 1, 1973 which necessitated his confinement at the Marian Hospital from November 3 to November 9, 1973 and at the Medical Center, Manila from November 9 to November 23, 1973 when he decided to continue his treatment at home until December 3, 1973. On the latter date he was again confined at the Medical Center, Manila for further treatment as his ailment worsened with the paralyzation of the right side of his body.

On January 15, 1974, claimant filed his claim for compensation benefits. Petitioner controverted the claim alleging that claimant's illness did not arise out of his employment nor was the same aggravated by the nature of his work.

On February 14, 1974, an award was entered by the Chief of Unit, Rizal Provincial Office, Department of Labor, the dispositive portion of which reads:

AWARD, therefore, is hereby rendered and the respondent is directed:

1. To pay the claimant, thru this Office, the sum of four thousand two hundred ninety-two pesos and 40/100 (P4,292.40) representing the compensation which has accrued to date and beginning February 14, 1974, a weekly compensation of P219.32 until his disability for labor ceases but not exceeding six thousand pesos (P6,000.00), including the lump sum payment.
2. To extend or continue extending to claimant such necessary medical services and supplies as the nature of his illness and the process of his recovery may require and that which will promote his early restoration to the maximum level of his physical capacity and should respondent fail on this regard claimant may secure such medical services and supplies at respondent's expense; and
3. To pay to the Workmen's Compensation Fund, likewise thru this Office, the sum of P43.00 as partial administrative fee, pursuant to Section 55 of the Act. Bill No. W-2055074 (RPO) is attached."

Upon motion for reconsideration by the claimant, the Chief of Unit issued an order on March 7, 1974 raising the reimbursement for medical expenses to P37, 713.25 out of the claim of P44,004.29. Petitioner moved for a

reconsideration of said order of March 7, 1974 but the motion was denied by the order of May 3, 1974. The same order granted the motion of the claimant filed on February 19, 1974 seeking to implead as party-respondent the Philippine British Assurance Co., Inc. and/or Ker & Co., Ltd., as the insurer of petitioner's compensation liability and accordingly held the latter and the petitioner jointly and severally liable to the claimant.

On June 10, 1974, upon payment of the sum of P15,000.00, the claimant assisted by his counsel, executed a "Full Satisfaction of Insurance Carrier's Liability on the Order of This Office dated May 3, 1974." This was, however, declared as null and void by the order of the Chief of Unit dated July 8, 1974. Subsequently, the records of the case were elevated to the Workmen's Compensation Commission for review and the same were referred to the Evaluation Division for evaluation of the fair and reasonable value of the medical expenses incurred by the claimant. In the meantime, on September 9, 1974, the claimant and his wife executed a "Deed of Release and Quitclaim" upon receipt of payment from the petitioner the sum of P21,000.00 exclusive of the P15,000.00 earlier paid by the insurance carrier. On September 18, 1974, both the petitioner and the claimant filed with the respondent Commission, an "Amicable Settlement" wherein it was prayed that this case be dismissed in view of the full and complete satisfaction of the claim for compensation. This was not, however, acted upon by the respondent Commission.

On October 2, 1975, the respondent Commission rendered its decision, the dispositive portion of which, reads:

"WHEREFORE, subject to the modification hereinabove indicated, the award dated February 14, 1974 as amended, should be as it is hereby AFFIRMED. Respondents Williams Equipment Co., Ltd. and the Philippine British Assurance Co., Inc. and/or Ker & Co., Ltd. are ordered to pay, jointly and severally:

1. The claimant, thru this Commission, the amount of SIX THOUSAND (P6,000.00) PESOS as compensation plus the amount of TWENTY ONE THOUSAND THREE HUNDRED TWENTY SEVEN PESOS and 30/100 (P21,327.30) as reimbursement of medical expenses or a total of TWENTY SEVEN THOUSAND THREE HUNDRED TWENTY SEVEN and 30/100 (P27,327.30) from which shall be deducted the amount of FIFTEEN THOUSAND (P15,000) PESOS thereby leaving a balance of TWELVE THOUSAND THREE HUNDRED TWENTY SEVEN PESOS and 30/100 (P12,327.30);
2. To claimant's counsel, Mr. Bien-venido R. Raton, the amount of SIX HUNDRED (P600.00) PESOS as attorney's fee pursuant to Section 31 of the Act;
3. To the Workmen's Compensation Fund the amount of SIXTY SIX (P66.00) PESOS as administrative cost including the P5.00 fee for this review pursuant to Section 55 of the Act; and
4. Respondent shall further provide the claimant with such services, appliances and supplies as the nature of his disability and the process of his recovery may require; and that which will promote his early restoration to the maximum level of his physical capacity.

SO ORDERED."

Petitioner now seeks a review of the said decision on the ground that the same was rendered without jurisdiction and is therefore, null and void. It is contended that since the parties herein had already entered into an amicable settlement, the claim for compensation is already extinguished for there was no more basis for the respondent Commission to render the decision in question.

It is undisputed that after having been impleaded as party-respondent, the Philippine British Assurance Co., Inc., and/or Ker & Co., Ltd., as insurer of petitioner's compensation liability, paid to the claimant the amount of P15,000.00 on June 10, 1974 which the latter acknowledged as full satisfaction of the insurance carrier's liability. Likewise, on September 9, 1974, claimant received from the petitioner the sum of P21,000.00 for which the former executed a "Deed of Release and Quitclaim." As a result thereof, the parties submitted an amicable

settlement to the respondent Commission wherein it was prayed that this case be dismissed. Claimant has thus received from the petitioner and the insurance carrier, the total amount of P36,000.00 for his claim. In its decision, the respondent Commission awarded to the claimant P6,000.00 as compensation plus the amount of P21,327.30 as reimbursement for medical expenses or a total of P27,327.30 from which was deducted the P15,000.00 paid by the petitioner's insurance carrier, leaving a balance of P12,327.30. We find this to be erroneous as the respondent Commission failed to credit the amount of P21,000.00 paid by the petitioner to the claimant on September 9, 1974. While it is true that the respondent Commission could not have acted upon the amicable settlement submitted by the parties in accordance with Section 29 of the Workmen's Compensation Act[1] because the same failed to mention the terms of the settlement, nevertheless, on October 23, 1975, the petitioner filed a manifestation alleging that the amicable settlement submitted was the result of the payment by the petitioner to the claimant of the sum of P21,000.00 for which the latter executed a "Deed of Release and Quitclaim" and a certification that said amount is exclusive of the P15,000.00 paid by the insurance carrier and that by virtue thereof, it has already satisfied the judgment of the respondent Commission. Attached to the said manifestation were the documents adverted to. In effect, said manifestation was a submission for approval of the agreement (amicable settlement) concerning compensation and the respondent Commission should not have ignored the same. Under the circumstances, petitioner should be credited with the payment to the claimant of the sum of P21,000.00. Adding to the said amount the P15,000.00 paid by the insurance carrier, the claimant has received a total of P36,000.00 for his claim. In its decision, the respondent Commission has awarded to the claimant the aggregate sum of P27,327.30 (P6,000.00 for compensation and P21,327.30 for reimbursement of medical expenses). Deducting the award of P27,327.30 from the P36,000.00 received by the claimant from the petitioner as compensation benefits there is a difference of P8,672.70 which is the excess of what is due the claimant under the decision of the respondent Commission. Under Section 29 of the Workmen's Compensation Act, in order that an agreement concerning compensation may be valid, two conditions must be complied: (1) the amount agreed upon must be at least equal to that provided by the Act; and (b) the agreement must be approved by the Workmen's Compensation Commissioner or his duly authorized representative. The settlement of compensation cases is further provided for under Letter of Instruction No. 190 dated June 3, 1974[2] and under Department Order No. 3, series of 1974 of the Department of Labor.[3] Since the total amount received by the claimant from the petitioner (including that paid by the latter's insurance carrier) in settlement of his claim is not only equal but even more than what is provided under the Workmen's Compensation Act, there is no valid reason for the respondent Commission not to act and give its stamp of approval to the amicable settlement submitted by the parties.

ACCORDINGLY, the decision of the respondent Commission is hereby affirmed with the qualification that the award for compensation in the amount of P6,000.00 and the reimbursement for medical expenses in the sum of P21,327.30 have been fully satisfied by the petitioner.

SO ORDERED.

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

[1] SEC. 29. Agreement on compensation. - In case employer and the injured laborer or the dependents entitled to compensation arrive at any agreement concerning the compensation provided for by this Act, such agreement in order to be valid, shall provide, at least, the same amount of compensation as that prescribed by this Act and must be approved by the Workmen's Compensation Commissioner, or any of his authorized representatives: Provided, however, That the employer shall be exempt from all liability under this Act as soon as the compensation has been paid in accordance with this section, saving the provisions of section six of this Act.

[2]

LETTER OF INSTRUCTION NO. 190

TO: The Secretary of Labor

The Administrator, Social Security System

The General Manager, Government Service Insurance System

In order to effect the orderly abolition of the present Workmen's Compensation System and the integration of the state fund into the Social Security System and the Government Service Insurance System, as the case may be under the Labor Code, you are hereby instructed to undertake and implement the following measures:

1. The Department of Labor through the Secretary of Labor, shall take such remedial steps as may be necessary expedite the determination and/or settlement under such terms as he may consider fair and just, of the backlog of compensation cases pending before the Workmen's Compensation units in the regional offices of the Department of Labor as well as in the Workmen's Compensation Commission to the end that said backlog may be liquidated by the end of the transistion period.

2. x x x x x

3. x x x x x

Done in the City of Manila, this 3rd day of June, in the year of Our Lord, nineteen hundred and seventy-four.

[3] "In implementation of Letter of Instructions No. 190 dated June 3, 1974 directing the Department of Labor through the Secretary of Labor to take such remedial steps as may be necessary to expedite the determination and/or settlement of the backlog of compensation cases pending before the Workmen's Compensation Units in the regional offices as well as in the Workmen's Compensation Com-mission to the end that said backlog may be liquidated by the end of the transition period, the following guidelines and instructions are hereby promulgated for immediate and strict compliance.

SECTION 1. Settlement of Cases. - The Workmen's Compensation units in the regional offices shall immediately cause the amicable settlement of all claims for compensation pending before them and those that may be filed during the transition period.

The settlement shall be free and voluntary written language known to the parties, and final and between them. (Department Order No. 3, Series of 1974.

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