

LUZ PINEDA, MARILOU MONTENEGRO, VIRGINIA ALARCON, DINA LORENA AYO, CELIA CALUMBAG AND LUCIA LONTOK, PETITIONERS, VS. HON. COURT OF APPEALS AND THE INSULAR LIFE ASSURANCE COMPANY...

G.R. No. 105562. September 27, 1993

Ponente: DAVIDE, JR., J.

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DAVIDE, JR., J.:

This is an appeal by certiorari to review and set aside the Decision of the public respondent Court of Appeals in CA-G.R. SP No. 22950[1] and its Resolution denying the petitioners' motion for reconsideration.[2] The challenged decision modified the decision of the Insurance Commission in IC Case No. RD-058.[3]

The petitioners were the complainants in IC Case No. RD-058, an administrative complaint against private respondent Insular Life Assurance Company, Ltd. (hereinafter Insular Life), which was filed with the Insurance Commission on 20 September 1989.[4] They prayed therein that after due proceedings, Insular Life "be ordered to pay the claimants their insurance claims" and that "proper sanctions/penalties be imposed on" it "for its deliberate, feckless violation of its contractual obligations to the complainants, and of the Insurance Code." [5] Insular Life's motion to dismiss the complaint on the ground that "the claims of complainants are all respectively beyond the jurisdiction of the Insurance Commission as provided in Section 416 of the Insurance Code," [6] having been denied in the Order of 14 November 1989, [7] it filed its answer on 5 December 1989. [8] Thereafter, hearings were conducted on various dates.

On 20 June 1990, the Commission rendered its decision [9] in favor of the complainants, the dispositive portion of which reads as follows:

"WHEREFORE, this Commission merely orders the respondent company to:

- a) Pay a fine of FIVE HUNDRED PESOS (P500.00) a day from the receipt of a copy of this Decision until actual payment thereof;
- b) Pay and settle the claims of DINA AYO and LUCIA LONTOC, for P50,000.00 and P40,000.00, respectively;
- c) Notify henceforth it should notify individual beneficiaries designated under any Group Policy, in the event of the death of insured(s), where the corresponding claims are filed by the Policyholder;
- d) Show cause within ten days why its other responsible officers who have handled this case should not be subjected to disciplinary and other administrative sanctions for deliberately releasing to Capt. Nuval the check intended for spouses ALARCON, in the absence of any Special Power of Attorney for that matter and for negligence with respect to the release of the other five checks.

SO ORDERED."[10]

In holding for the petitioners, the Insurance Commission made the following findings and conclusions:

"After taking into consideration the evidences [sic], testimonial and documentary for the complainants and the respondent, the Commission finds that; First: The respondent erred in appreciating that the powers of attorney executed by five (5) of the several beneficiaries convey absolute authority to Capt. Nuval, to demand, receive, receipt and take delivery of insurance proceeds from respondent Insular Life. A cursory reading of the questioned powers of authority would disclosed [sic] that they do not contain in unequivocal and clear terms authority to Capt. Nuval to obtain, receive, receipt from respondent company insurance proceeds arising from the death of the seaman-insured. On the contrary, the said powers of attorney are couched in terms which could easily arouse suspicion of an ordinary man. x x x.

Second: The testimony of the complainants' rebuttal witness, Mrs. Trinidad Alarcon, who declared in no uncertain terms that neither she nor her husband, executed a special power of attorney in favor of Captain Rosendo Nuval, authorizing him to claim, receive, receipt and take delivery of any insurance proceeds from Insular Life arising out of the death of their insured/seaman son, is not convincingly refuted.

Third: Respondent Insular Life did not observe Section 180 of the Insurance Code, when it issued or released two checks in the amount of P150,000.00 for the three minor children (P50,000.00 each) of complainant, Dina Ayo and another check of P40,000.00 for minor beneficiary Marissa Lontok, daughter of another complainant Lucia Lontok, there being no showing of any court authorization presented or the requisite bond posted.

Section 180 is quotes [sic] partly as follows:

'x x x In the absence of a judicial guardian, the father, or in the latter's absence or incapacity, the mother of any minor, who is an insured or a beneficiary under a contract of life, health or accident insurance, may exercise, in behalf of said minor, any right under the policy, without necessity of court authority or the giving of a bond where the interest of the minor in the particular act involved does not exceed twenty thousand pesos x x x.'"[11]

Insular Life appealed the decision to the public respondent which docketed the case as CA-G.R. SP No. 22950. The appeal urged the appellate court to reverse the decision because the Insurance Commission (a) had no jurisdiction over the case considering that the claims exceeded P100,000.00, (b) erred in holding that the powers of attorney relied upon by Insular Life were insufficient to convey absolute authority to Capt. Nuval to demand, receive and take delivery of the insurance proceeds pertaining to the petitioners, (c) erred in not giving credit to the version of Insular Life that the power of attorney supposed to have been executed in favor of the Alarcons was missing, and (d) erred in holding that Insular Life was liable for violating Section 180 of the Insurance Code for having released to the surviving mothers the insurance proceeds pertaining to the beneficiaries who were still minors despite the failure of the former to obtain a court authorization or to post a bond.

On 10 October 1991, the public respondent rendered a decision,[12] the decretal portion of which reads:

"WHEREFORE, the decision appealed from is modified by eliminating therefrom the award to Dina Ayo and Lucia Lontok in the amounts of P50,000.00 and P40,000.00, respectively."[13]

It found the following facts to have been duly established:

"It appears that on 23 September 1983, Prime Marine Services, Inc. (PMSI, for brevity), a crewing/manning outfit, procured Group Policy No. G-004694 from respondent-appellant Insular Life Assurance Co., Ltd. to provide life insurance coverage to its sea-based employees enrolled under the plan. On 17 February 1986, during the effectivity of the policy, six covered employees of the PMSI perished at sea when their vessel, M/V Nemos, a

Greek cargo vessel, sunk somewhere in El Jadida, Morocco. They were survived by complainants-appellees, the beneficiaries under the policy.

Following the tragic demise of their loved ones, complainants-appellees sought to claim death benefits due them and, for this purpose, they approached the President and General Manager of PMSI, Capt. Roberto Nuval. The latter evinced willingness to assist complainants-appellees to recover Overseas Workers Welfare Administration (OWWA) benefits from the POEA and to work for the increase of their PANDIMAN and other benefits arising from the deaths of their husbands/sons. They were thus made to execute, with the exception of the spouses Alarcon, special powers of attorney authorizing Capt. Nuval to, among others, 'follow up, ask, demand, collect and receive' for their benefit indemnities of sums of money due them relative to the sinking of M/V Nemos. By virtue of these written powers of attorney, complainants-appellees were able to receive their respective death benefits. Unknown to them, however, the PMSI, in its capacity as employer and policyholder of the life insurance of its deceased workers, filed with respondent-appellant formal claims for and in behalf of the beneficiaries, through its President, Capt. Nuval. Among the documents submitted by the latter for the processing of the claims were the five special powers of attorney executed by complainants-appellees. On the basis of these and other documents duly submitted, respondent-appellant drew against its account with the Bank of the Philippine Islands on 27 May 1986 six (6) checks, four for P200,000.00 each, one for P50,000.00 and another for P40,000.00, payable to the order of complainants-appellees. These checks were released to the treasurer of PMSI upon instructions of Capt. Nuval over the phone to Mr. Mariano Urbano, Assistant Department Manager for Group Administration Department of respondent-appellant. Capt. Nuval, upon receipt of these checks from the treasurer, who happened to be his son-in-law, endorsed and deposited them in his account with the Commercial Bank of Manila, now Boston Bank.

On 3 July 1989, after complainants-appellees learned that they were entitled, as beneficiaries, to life insurance benefits under a group policy with respondent-appellant, they sought to recover these benefits from Insular Life but the latter denied their claim on the ground that the liability to complainants-appellees was already extinguished upon delivery to and receipt by PMSI of the six (6) checks issued in their names.”[14]

On the basis thereof, the public respondent held that the Insurance Commission had jurisdiction over the case on the ground that although some of the claims exceed P100,000.00, the petitioners had asked for administrative sanctions against Insular Life which are within the Commission's jurisdiction to grant; hence, "there was merely a misjoinder of causes of action x x x and, like misjoinder of parties, it is not a ground for the dismissal of the action as it does not affect the other reliefs prayed for.”[15] It also rejected Insular Life's claim that the Alarcons had submitted a special power of attorney which they (Insular Life) later misplaced.

On the other hand, the public respondent ruled that the powers of attorney, Exhibits "1" to "5," relied upon by Insular Life were sufficient to authorize Capt. Nuval to receive the proceeds of the insurance pertaining to the beneficiaries. It stated:

"When the officers of respondent-appellant read these written powers, they must have assumed Capt. Nuval indeed had authority to collect the insurance proceeds in behalf of the beneficiaries who duly affixed their signatures therein. The written power is specific enough to define the authority of the agent to collect any sum of money pertaining to the sinking of the fatal vessel. Respondent-appellant interpreted this power to include the collection of insurance proceeds in behalf of the beneficiaries concerned. We believe this is a reasonable interpretation even by an officer of respondent-appellant unschooled in the law. Had respondent-appellant consulted its legal department it would not have received a contrary view. There is nothing in the law which mandates a specific or special power of attorney to be executed to collect insurance proceeds. Such authority is not included in the enumeration of Art. 1878 of the New Civil Code. Neither do we perceive collection of

insurance claims as an act of strict dominion as to require a special power of attorney. Moreover, respondent-appellant had no reason to doubt Capt. Nuval. Not only was he armed with a seemingly genuine authorization, he also appeared to be the proper person to deal with respondent-appellant being the President and General Manager of the PMSI, the policyholder with whom respondent-appellant always dealt. The fact that there was a verbal agreement between complainants-appellees and Capt. Nuval limiting the authority of the latter to claiming specified death benefits cannot prejudice the insurance company which relied on the terms of the powers of attorney which on their face do not disclose such limitation. Under the circumstances, it appearing that complainants-appellees have failed to point to a positive provision of law or stipulation in the policy requiring a specific power of attorney to be presented, respondents-appellant's reliance on the written powers was in order and it cannot be penalized for such an act." [16]

Insofar as the minor children of Dina Ayo and Lucia Lontok were concerned, it ruled that the requirement in Section 180 of the Insurance Code which provides in part that:

"In the absence of a judicial guardian, the father, or in the latter's absence or incapacity, the mother, of any minor, who is an insured or a beneficiary under a contract of life, health or accident insurance, may exercise, in behalf of said minor, any right under the policy, without necessity of court authority or the giving of a bond, where the interest of the minor in the particular act involved does not exceed twenty thousand pesos. Such a right may include, but shall not be limited to, obtaining a policy loan, surrendering the policy, receiving the proceeds of the policy, and giving the minor's consent to any transaction on the policy."

has been amended by the Family Code [17] which grants the father and mother joint legal guardianship over the property of their unemancipated common child without the necessity of a court appointment; however, when the market value of the property or the annual income of the child exceeds P50,000.00, the parent concerned shall be required to put up a bond in such amount as the court may determine.

Hence, this petition for review on certiorari which we gave due course after the private respondent had filed the required comment thereon and the petitioners their reply to the comment.

We rule for the petitioners.

We have carefully examined the specific powers of attorney, Exhibits "1" to "5," which were executed by petitioners Luz Pineda, Lucia B. Lontok, Dina Ayo, Celia Calumag, and Marilyn Montenegro, respectively, on 14 May 1986 [18] and uniformly granted to Capt. Rosendo Nuval the following powers:

"To follow-up, ask, demand, collect and receipt for my benefit indemnities or sum of money due me relative to the sinking of M.V. NEMOS in the vicinity of El Jadida, Casablanca, Morocco on the evening of February 17, 1986; and

To sign receipts, documents, pertinent waivers of indemnities or other writings of whatsoever nature with any and all third persons, concerns and entities, upon terms and conditions acceptable to my said attorney."

We agree with the Insurance Commission that the special powers of attorney "do not contain in unequivocal and clear terms authority to Capt. Nuval to obtain, receive, receipt from respondent company insurance proceeds arising from the death of the seaman-insured. On the contrary, the said powers of attorney are couched in terms which could easily arouse suspicion of an ordinary man." [19] The holding of the public respondent to the contrary is principally premised on its opinion that:

"[t]here is nothing in the law which mandates a specific or special power of attorney to be executed to collect insurance proceeds. Such authority is not included in the enumeration of art. 1878 of the New Civil Code. Neither

do we perceive collection of insurance claims as an act of strict dominion as to require a special power of attorney."

If this be so, then they could not have been meant to be a general power of attorney since Exhibits "1" to "5" are special powers of attorney. The execution by the principals of special powers of attorney, which clearly appeared to be in prepared forms and only had to be filled up with their names, residences, dates of execution, dates of acknowledgement and others, excludes any intent to grant a general power of attorney or to constitute a universal agency. Being special powers of attorney, they must be strictly construed.

Certainly, it would be highly imprudent to read into the special powers of attorney in question the power to collect and receive the insurance proceeds due the petitioners from Group Policy No. G-004694. Insular Life knew that a power of attorney in favor of Capt. Nuval for the collection and receipt of such proceeds was a deviation from its practice with respect to group policies. Such practice was testified to by Mr. Marciano Urbano, Insular Life's Assistant Manager of the Group Administrative Department, thus:

"ATTY. CAGUIOA:

Can you explain to us why in this case, the claim was filed by a certain Capt. Noval [sic]?

WITNESS:

a The practice of our company in claim pertaining to group insurance, the policyholder is the one who files the claim for the beneficiaries of the deceased. At that time, Capt. Noval [sic] is the President and General Manager of Prime Marine.

q What is the reason why policyholders are the ones who file the claim and not the designated beneficiaries of the employees of the policyholders?

a Yes because group insurance is normally taken by the employer as an employee-benefit program and as such, the benefit should be awarded by the policyholder to make it appear that the benefit really is given by the employer."[20]

On cross-examination, Urbano further elaborated that even payments, among other things, are coursed through the policyholder:

"q What is the corporate concept of group insurance insofar as Insular Life is concerned?

WITNESS:

a Group insurance is a contract where a group of individuals are covered under one master contract. The individual underwriting characteristics of each individual is not considered in the determination of whether the individual is insurable or not. The contract is between the policyholder and the insurance company. In our case, it is Prime Marine and Insular Life. We do not have contractual obligations with the individual employees; it is between Prime Marine and Insular Life.

q And so it is part of that concept that all inquiries, follow-up, payment of claims, premium billings, etc. should always be coursed thru the policyholder?

a Yes, that is our practice.

q And when you say claim payments should always be coursed thru the policyholder, do you require a power of attorney to be presented by the policyholder or not?

a Not necessarily.

q In other words, under a group insurance policy like the one in this case, Insular Life could pay the claims to the policyholder himself even without the presentation of any power of attorney from the designated beneficiaries?

x x x

WITNESS:

a No. Sir.

ATTY. AMPIL:

q Why? Is this case, the present case different from the cases which you answered that no power of attorney is necessary in claims payments?

WITNESS:

a We did not pay Prime Marine; we paid the beneficiaries.

q Will you now tell the Honorable Commission why you did not pay Prime Marine and instead paid the beneficiaries, the designated beneficiaries?

x x x

ATTY. AMPIL:

I will rephrase the question.

q Will you tell the Commission what circumstances led you to pay the designated beneficiaries, the complainants in this case, instead of the policyholder when as you answered a while ago, it is your practice in group insurance that claims payments, etc., are coursed thru the policyholder?

WITNESS:

a It is coursed but it is not paid to the policyholder.

q And so in this case, you gave the checks to the policyholder only coursing them thru said policyholder?

a That is right, Sir.

q Not directly to the designated beneficiaries?

a Yes, Sir."^[21]

This practice is usual in the group insurance business and is consistent with the jurisprudence thereon in the State of California -- from whose laws our Insurance Code has been mainly patterned -- which holds that the employer-policyholder is the agent of the insurer.

Group insurance is a comparatively new form of insurance. In the United States, the first modern group insurance policies appear to have been issued in 1911 by the Equitable Life Assurance Society.^[22] Group insurance is essentially a single insurance contract that provides coverage for many individuals. In its original and most common form, group insurance provides life or health insurance coverage for the employees of one employer.

The coverage terms for group insurance are usually stated in a master agreement or policy that is issued by the insurer to a representative of the group or to an administrator of the insurance program, such as an employer.^[23] The employer acts as a functionary in the collection and payment of premiums and in performing related duties. Likewise falling within the ambit of administration of a group policy is the disbursement of insurance payments

by the employer to the employees.[24] Most policies, such as the one in this case, require an employee to pay a portion of the premium, which the employer deducts from wages while the remainder is paid by the employer. This is known as a contributory plan as compared to a non-contributory plan where the premiums are solely paid by the employer.

Although the employer may be the titular or named insured, the insurance is actually related to the life and health of the employee. Indeed, the employee is in the position of a real party to the master policy, and even in a non-contributory plan, the payment by the employer of the entire premium is a part of the total compensation paid for the services of the employee.[25] Put differently, the labor of the employees is the true source of the benefits, which are a form of additional compensation to them.

It has been stated that every problem concerning group insurance presented to a court should be approached with the purpose of giving to it every legitimate opportunity of becoming a social agency of real consequence considering that the primary aim is to provide the employer with a means of procuring insurance protection for his employees and their families at the lowest possible cost, and in so doing, the employer creates goodwill with his employees, enables the employees to carry a larger amount of insurance than they could otherwise, and helps to attract and hold a permanent class of employees.[26]

In *Elfstrom vs. New York Life Insurance Company*,[27] the California Supreme Court explicitly ruled that in group insurance policies, the employer is the agent of the insurer. Thus:

"We are convinced that the employer is the agent of the insurer in performing the duties of administering group insurance policies. It cannot be said that the employer acts entirely for its own benefit or for the benefit of its employees in undertaking administrative functions. While a reduced premium may result if the employer relieves the insurer of these tasks, and this, of course, is advantageous to both the employer and the employees, the insurer also enjoys significant advantages from the arrangement. The reduction in the premium which results from employer-administration permits the insurer to realize a larger volume of sales, and at the same time the insurer's own administrative costs are markedly reduced.

X X X

The most persuasive rationale for adopting the view that the employer acts as the agent of the insurer, however, is that the employee has no knowledge of or control over the employer's actions in handling the policy or its administration. An agency relationship is based upon consent by one person that another shall act in his behalf and be subject to his control. It is clear from the evidence regarding procedural techniques here that the insurer-employer relationship meets this agency test with regard to the administration of the policy, whereas that between the employer and its employees fails to reflect true agency. The insurer directs the performance of the employer's administrative acts, and if these duties are not undertaken properly the insurer is in a position to exercise more constricted control over the employer's conduct."

In *Neider vs. Continental Assurance Company*,[28] which was cited in *Elfstrom*, it was held that:

"[t]he employer owes to the employee the duty of good faith and due care in attending to the policy, and that the employer should make clear to the employee anything required of him to keep the policy in effect, and the time that the obligations are due. In its position as administrator of the policy, we feel also that the employer should be considered as the agent of the insurer, and any omission of duty to the employee in its administration should be attributable to the insurer."

The ruling in *Elfstrom* was subsequently reiterated in the cases of *Bass vs. John Hancock Mutual Life Insurance Co.*[29] and *Metropolitan Life Insurance Co. vs. State Board of Equalization*. [30]

In the light of the above disquisitions and after an examination of the facts of this case, we hold that PMSI, through its President and General Manager, Capt. Nuval, acted as the agent of Insular Life. The latter is thus bound by the misconduct of its agent.

Insular Life, however, likewise recognized Capt. Nuval as the attorney-in-fact of the petitioners. Unfortunately, through its official, Mr. Urbano, it acted imprudently and negligently in the premises by relying without question on the special power of attorney. In *Strong vs. Repide*,^[31] this Court ruled that it is among the established principles in the civil law of Europe as well as the common law of America that third persons deal with agents at their peril and are bound to inquire as to the extent of the power of the agent with whom they contract. And in *Harry E. Keller Electric Co. vs. Rodriguez*,^[32] this Court, quoting *Mechem on Agency*,^[33] stated that:

"The person dealing with an agent must also act with ordinary prudence and reasonable diligence. Obviously, if he knows or has good reason to believe that the agent is exceeding his authority, he cannot claim protection. So if the suggestions of probable limitations be of such a clear and reasonable quality, or if the character assumed by the agent is of such a suspicious or unreasonable nature, or if the authority which he seeks to exercise is of such an unusual or improbable character, as would suffice to put an ordinarily prudent man upon his guard, the party dealing with him may not shut his eyes to the real state of the case, but should either refuse to deal with the agent at all, or should ascertain from the principal the true condition of affairs." (emphasis supplied)

Even granting for the sake of argument that the special powers of attorney were in due form, Insular Life was grossly negligent in delivering the checks, drawn in favor of the petitioners, to a party who is not the agent mentioned in the special power of attorney.

Nor can we agree with the opinion of the public respondent that since the shares of the minors in the insurance proceeds are less than P50,000.00, then under Article 225 of the Family Code their mothers could receive such shares without need of either court appointment as guardian or the posting of a bond. It is of the view that said Article had repealed the third paragraph of Section 180 of the Insurance Code.^[34] The pertinent portion of Article 225 of the Family Code reads as follows:

"ART. 225. The father and the mother shall jointly exercise legal guardianship over the property of their unemancipated common child without the necessity of a court appointment. In case of disagreement, the father's decision shall prevail, unless there is judicial order to the contrary.

Where the market value of the property or the annual income of the child exceeds P50,000, the parent concerned shall be required to furnish a bond in such amount as the court may determine, but not less than ten per centum (10%) of the value of the property or annual income, to guarantee the performance of the obligations prescribed for general guardians."

It is clear from the said Article that regardless of the value of the unemancipated common child's property, the father and mother ipso jure become the legal guardian of the child's property. However, if the market value of the property or the annual income of the child exceeds P50,000.00, a bond has to be posted by the parents concerned to guarantee the performance of the obligations of a general guardian.

It must, however, be noted that the second paragraph of Article 225 of the Family Code speaks of the "market value of the property or the annual income of the child," which means, therefore, the aggregate of the child's property or annual income; if this exceeds P50,000.00, a bond is required. There is no evidence that the share of each of the minors in the proceeds of the group policy in question is the minor's only property. Without such evidence, it would not be safe to conclude that, indeed, that is his only property.

WHEREFORE, the instant petition is GRANTED. The Decision of 10 October 1991 and the Resolution of 19

May 1992 of the public respondent in CA-G.R. SP No. 22950 are SET ASIDE and the Decision of the Insurance Commission in IC Case No. RD-058 is REINSTATED.

Costs against the private respondent.

SO ORDERED.

Cruz, (Chairman), Bellosillo, and Quiason, JJ., concur.
Griño-Aquino, J., on leave.

[1] Annex "F" of Petition; Rollo, 57-64. Per Associate Justice Luis A. Javellana, concurred in by Associate Justices Jorge S. Imperial and Serafin V.C. Guingona.

[2] Annex "I" of Petition; Id., 84-86.

[3] Annex "C" of Petition; Id., 31-38.

[4] Original Records (OR), IC Case No. RD-058, 1-3.

[5] OR, IC Case No. RD-058, 3.

[6] Id., 12.

[7] Id., 15.

[8] Id., 17-18.

[9] Id., 214-222. Per Eduardo T. Malinis, Assistant Insurance Commissioner and Officer-in-Charge.

[10] OR, IC Case No. RD-058, 221-222.

[11] OR, Case No. RD-058, 219-221.

[12] Annex "F" of Petition; Rollo, 57-65.

[13] Id., 64.

[14] Rollo, 58-59.

[15] Rollo, 60, citing Section 11, Rule 3 and Pacal vs. Ramos, 81 Phil. 30 [1948].

[16] Rollo, 62.

[17] Public respondent cites no specific article. Evidently, however, it refers to Article 225 of the Family Code.

[18] OR, IC Case No. RD-058, 99-103.

[19] OR, IC Case RD-058, 220.

[20] TSN, 16 January 1990, 4.

[21] TSN, 16 January 1990, 25-27.

[22] GREGG, D.W., Group Life Insurance, 3rd ed., 1960, 5-7.

[23] KEETON, R.E. & WIDISS, A.I., Insurance Law, A Guide to Fundamental Principles, Legal Doctrines, and Commercial Practices, 1988 ed., § 2.6(a).

[24] Metropolitan Life Insurance Co. vs. State Board of Equalization, 652 P.2d (Cal. Sup. Ct. 1982).

[25] KEETON & WIDISS, *supra*.

[26] Neider vs. Continental Assurance Co., So.2d 237 (La. Sup. Ct. 1948).

[27] 432 P.2d 731 (Cal. Sup. Ct. 1967).

[28] *Supra*.

[29] 518 P.2d 1147 (Cal. Sup. Ct. 1974).

[30] *Supra*.

[31] 6 Phil. 680 [1906].

[32] 44 Phil. 19, 26 [1922].

[33] Volume 1, Section 752.

[34] P.D. No. 612, promulgated on 18 December 1974, as amended, and the thereafter codified pursuant to P.D. No. 1460, promulgated on 11 June 1978.

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