

**COUNTRY BANKERS INSURANCE CORPORATION, PETITIONER, VS.
NATIONAL LABOR RELATIONS COMMISSION (NLRC), MEDARDO
TABIRARA AND PHILIPPINE OVERSEAS EMPLOYMENT
ADMINISTRATION, RESPONDENTS.**

G.R. No. 112679. July 14, 1995

Ponente: QUIASON, J.

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QUIASON, J.:

This is a petition for certiorari to reverse the Decision of the National Labor Relations Commission (NLRC) and its Order dated October 29, 1993 in NLRC NCR CA No. 002479-91. The Decision affirmed the Decision dated October 17, 1991 of the Administrator of the Philippine Overseas Employment Administration (POEA) in Case No. (L) 90-11-1316 while the Order dated October 29, 1993 denied the motion for reconsideration of the Decision.

We dismiss the petition.

I

Medardo B. Tabirara was recruited by Teknika Skills and Trade Services, Inc. (Teknika Skills), and was deployed to Alkhobar, Saudi Arabia as a tailor at the Al-Mubergahah Ladies Tailoring with a basic salary of US\$400.00 a month for a period of two years. He departed for the jobsite on February 25, 1989.

Instead of working as a tailor, Tabirara was assigned as a clerk at the RVL Trading and Trade Services/RVL Cargohaus International (RVL Trading), a firm engaged in the door-to-door remittance of money and delivery of goods from Filipino overseas contract workers. On September 20, 1990, his services were terminated.

Immediately thereafter, he filed a complaint for illegal dismissal, non-payment and underpayment of wages, overtime pay, vacation pay and refund of return travel expenses against Teknika Skills as the local agent and RVL Trading and Neutron Construction as the principals. He impleaded petitioner, the surety of Teknika Skills when the latter applied for a license with the POEA (POEA Case No. (L) 90-11-1316).

In its answer, petitioner alleged that the claims of Tabirara were not covered by the bond it issued in favor of Teknika Skills considering that the bond was issued only on June 8, 1990 after Tabirara's departure from the Philippines on February 25, 1989.

On October 17, 1991, the POEA Administrator rendered his decision, the dispositive portion of which reads:

"WHEREFORE, respondents Teknika Skills and Trade Services, Inc., RVL Trading and General Services and/or Neutron Construction and Country Bankers Insurance Corporation are hereby ordered to pay, jointly and [solidarily], the complainant Medardo Tabirara, the sum of SR13,438.40, or its peso equivalent at the time of payment" (Rollo, p. 12).

Teknika Skills appealed the decision to NLRC. On June 30, 1993, the NLRC affirmed the decision of the POEA Administrator (Rollo, p. 21).

A motion for reconsideration was filed by petitioner but the same was denied in an Order dated October 29, 1993.

Hence, this petition.

On March 2, 1994, this Court resolved to issue a temporary restraining order enjoining the enforcement of the questioned decision of the POEA Administrator (Rollo, p. 97).

II

The main issue to be resolved is whether petitioner can be held jointly and severally liable with Teknika Skills for the payment of the claims of Tabirara.

Under the POEA Rules and Regulations, an applicant for license of a recruitment agency upon the approval thereof, has to post a surety bond to answer for all valid claims arising from violations of the conditions for the accreditation, contracts of employment, or grant and use of the license. Section 4, Rule II, Book II of said Rules and Regulations provides:

"Payment of Fees and Posting of Bonds. Upon approval of the application, the applicant shall pay a license fee of P30,000.00. It shall also post a cash bond of P100,000.00 and a surety bond of P50,000.00 from a bonding company acceptable to the Administration and duly accredited by the Insurance Commission. The bonds shall answer for all valid and legal claims arising from violations of the conditions for the grant and use of the license, and/or accreditation and contracts of employment. The bonds shall likewise guarantee compliance with the provisions of the Code and its implementing rules and regulations relating to recruitment and placement, the Rules of the Administration and relevant issuances of the Department and all liabilities which the Administration may impose. The surety bonds shall include the condition that notice to the principal is notice to the surety and that any judgment against the principal in connection with matters falling under POEA's jurisdiction shall be binding and conclusive on the surety. The surety bonds shall be co-terminus with the validity period of the license."

In the case at bench, the surety bond issued by Teknika Skills states that its effectivity would commence on June 8, 1990 and terminate on June 8, 1992. The claim of Tabirara accrued on September 20, 1990 and since it falls during the effectivity of the surety bond, it can be enforced against petitioner, which is jointly and severally liable with Teknika Skills for any claim arising from the contract of employment. Precisely, the intentment of the law in requiring the posting of a bond is to guarantee the payment of all valid and legal claims against the employer.

As held in *Stronghold Insurance Co., Inc. v. Court of Appeals*, 205 SCRA 605 (1992):

"The surety bond required of recruitment agencies is intended for the protection of our citizens who are engaged for overseas employment by foreign companies. The purpose is to insure that if the rights of these overseas workers are violated by their employers, recourse would still be available to them against the local companies that recruited them for the foreign principal. The foreign principal is outside the jurisdiction of our courts and would probably have no properties in this country against which an adverse judgment can be enforced. This difficulty is corrected by the bond, which can be proceeded against to satisfy that judgment" (at p. 611).

The posture that petitioner cannot be held liable for Tabirara's claim because he left the Philippines before the issuance of the bond is untenable.

Considering the purpose of filing the surety bond, said bond may be filed even after the departure of the worker from the Philippines for his place of work. The obligations guaranteed by the bonds are continuing. Thus, the

bonds are subject to replenishment when they are garnished, and failure to replenish them shall cause the suspension or cancellation of the recruiter's license (POEA Rules and Regulation, Book II, Rule II, Sec. 23). Furthermore, a cash bond shall be refunded to a recruiter who surrenders his license only upon posting of a surety bond of similar amount valid for four years (POEA Rules and Regulations, Book II, Rule II, Sec. 24).

WHEREFORE, the petition is DISMISSED and the Decision and the Order dated October 29, 1993 of the NLRC are AFFIRMED. The temporary restraining order issued on March 2, 1994 is LIFTED.

SO ORDERED.

Padilla, (Chairman), Davide, Jr., and Kapunan, JJ., concur.
Bellosillo, J., on leave.

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