

THE INSULAR LIFE ASSURANCE COMPANY, LTD., PETITIONER, VS. TERESA DUAT VDA.DE FERNANDEZ, MANUELA FERNANDEZ AND MARIA TERESA FERNANDEZ, RESPONDENTS.

G.R. No. 13023. September 30, 1960

Ponente: PADILLA, J.

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PADILLA, J.:

Petition for a writ of certiorari to review the judgment of the Court of Appeals (C.A.-G. R.-No. 15989-R) affirming that of the Court of First Instance of Manila (civil case No. 23691).

The Court of Appeals made the following findings:

Esta es una apelacion de la decision del Juzgado de Primera Instancia de Manila, cuya parte dispositiva es del siguiente tenor:

"For the foregoing, the court orders defendant The Insular Life Assurance Co., Ltd., to pay the plaintiffs Teresa Duat Vda. de Fernandez and Maria Teresa Fernandez, represented by her mother her co-plaintiff Teresa Duat Vda. de Fernandez, the sum of P5,000.00 in Philippine currency, full face value of the policy in question. Defendant shall also pay the costs."

El 1.o. de junio de 1944 la demandada expidio la poliza de seguro de vida No. 98321 por la suma de P5,000.00 a favor de Juan D. Fernandez, eh la que se habian designado como beneficiarias a las demandantes Teresa Duat Vda. de Fernandez y Maria Teresa Fernandez madre y hermana, respectivamente, del asegurado (Exh. A). El asegurado Juan D. Fernandez pago a la demandada la suma de P265.00 en concepto de prima de seguro correspondiente al periodo de junio 1, 1954 a junio 1, 1945 (Exh. B). El 2 de noviembre de 1944, el asegurado Juan D. Fernandez fallecio en la Penitenciaría de Muntinglupa, donde estuvo connnado como preso de las fuerzas japonesas que estaban entonces eu control de todo el pais. El 1 de agosto de 1952 lai demandantes, por medio de su abogado, requirieron a la demandada el pago del importe de la poliza en cuesti6n (Exh C). En la contestacion a dicha comunicacion, la demandada manifesto que estaba dispuesta de arreglar su "obligation nacida de la poliza" en cuestion a base de la escala Ballantyne, en la suma de P200.00 (Exh. D). El 19 de julio de 1954 el abogado de las demandantes envio otra comunicacion a la demandada insistiendo en el cobro del importe completo de la poliza de P5,000.00 en moneda corriente (Exh. E), acompanando a dicha comunicacion el certificado de defuncion y el report de atztropsia del cadaver del finado Juan D. Fernandez con la promesa de someter cualquiera otra prueba que la demandada requiera sobre la muerte de dicho finado. El 21 de julio de 1954, la deraandada, en contestation a aquella ultima comunicacidsn, manifesto que no estaba conforme de pagar el importe completo de P5,000.00 de la poliza pero si estaba dispuesta a pagar la equivalencia de la misma de acuerdo con la escala Ballantyne (Exh. F).

Estos hechos fueron establecidos y estan admitidos por ambas partes.

Las demandantes probaron ademas, que con anterioridad al mes de abril de 1944 el finado Juan D. Fernandez vivia con su niadre y sus hermanos en la ciudad de Manila. En el citado mes, la niadre y las hermanas del citado finado salieron de Manila y pasaron a vivir en Hagan, Isabela. El mes de mayo de 1944 Enrique

Fernandez, un hermano del finado tambien salio de Manila para reunirse con su niadre y hermanas en Isabela. Estando solo en Manila, Juan D. Fernandez se asocio con su amigo Pablo Gabriel en un negocio y ocuparon un cuarto de la Insular Life Building como su oficina y fue entonces cuando el adquirio la poliza en cuestion. El mes de agosto de 1944, ambos amigos fueron arrestados por los japoneses como sospechosos de guerrilleros, pero el mes siguiente Pablo Gabriel fue puesto en libertad. Despues de su libertad Gabriel se enferm6 y por motivo no pudo visitar a su oficina sino alia por el mes de octubre de 1944, en que se fue1 alii para recoger los documentos y libros que habfa en dicha oficina para guardarlos en su residencia en la calle Bequesens. Entre los documentos recogidos por Pablo Gabriel figuraba la p61iza de seguro de su amigo Juan D. Fernandez. El 2 de noviembdr de 1944 Juan D. Fernandez fallecio en la Penitenciaría de Muntinglupa (Exhs. 1 y 2) y su cadaver fue recogido y enterrado por sa amigo Pablo Gabriel. Ninguno de los miembros de la familia de dicho finado pudo asistir al entierro del mismo porque estaban ausentes de Manila. En los ultimos dias de febrero de 1945 la demandante Teresa Duat Vda. de Fernandez vino a Manila, procedente de Uagan, y en aquella ocasion Pablo Gabriel le entregd la pdliza de seguro en cuesti6n y fu6 entonces cuando las demandantes se enteraron, por primera vez, de la existendia de aquella p61iza y de que ellas estaban designadas como beneficiaries.

Estos hechos no fueron impugnados por las pruebas de la demandada.

La demandada admite que, realmente, el asegurado Juan D. Fernandez fallecid en Muntinglupa el 2 de noviembre de 1944 y fue enterrado el 4 del citado mes; y que cuando murio dicho asejpirado, su poliza estuvo (estaba) vigente. Dicha demandada probó que al tiempo del fallecimiento del asegurado Fernandez la Ciudad de Manila estuvo (estaba) aun bajo el regimen japonés y su oficina permanecio abierta hasta el 9 de enero de 1945 en que comenzo" la batalla de liberacion.

Bajo los hechos ya expuestos, el Juzgado de Primera Instancia de Manila dict6 su decision, cuya parte dispositiva es la que se ha acotada arriba.

The questions raised in this case have been passed upon by this Court in the case of Vda. de Fernandez vs. National Life Insurance Company of the Philippines, 105 Phil., 59; 56 Off. Gaz. 3287, concerning the same assured and beneficiaries, as follows:

We find appellants' contention untenable. In life insurance, the policy matures either upon the expiration of the term set forth therein, in which case its proceeds are immediately payable to the insured himself, or upon his death occurring at any time prior to the expiration of such stipulated term, in which case, the proceeds are payable to his beneficiaries within sixty days after their .filing of proof of death (Sec. 91-A Insurance Law). In the case at bar, the policy matured upon the death of the insured on November 2, 1944, and the obligation of the insurer to pay arose as of that date. The sixty-day period fixed by law within which to pay the proceeds after presentation of proof of death is merely procedural in nature, evidently to determine the exact amount to be paid and the interest thereon to which the beneficiaries may be entitled to collect in case of unwarranted refusal of the company to pay, and also to enable the insurer to verify or check on the fact of death which it may even validly waive. It is the happening of the suspensive condition of death that renders a life policy matured and not the filing of proof of death which, as above stated, is merely procedural, for even if such proof were presented but it turns out later that the insured is alive, such filing does not give maturity to the policy. The insured having died. on November 2, 1944, during the Japanese occupation, the proceeds of his policy should be adjusted accordingly, for

"The rule is already settled that where a debtor could have paid his obligation at any time during the Japanese occupation, payment after liberation must be adjusted in accordance with the Ballantyne schedule (De Asis vs. Agdamag, 90 Phil., 249; Ang Lam vs. Peregrina, 92 Phil., 506; Wilson vs. Berkenkotter 92 Phil., 918, 49 Off. Gaz. No. 4, 1401; Samson vs. Andal de Aguila, 94 Phil., 402.) (Valero vs. Sycip, L-11119, May 23, 1958.)

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* * * The delay in the presentation of proof of death does not make any difference, for it does not alter the date

of maturity of the policy nor the ability of the company to pay the proceeds of the insurance during the Japanese occupation. Moreover, it is through no fault of the company that such delay was incurred. At any rate, irrespective of whether there was delay or not in the filing of proof of death, the hard fact remains that the policy matured and was payable during the Japanese occupation, and under the doctrine in the Valero vs. Sycip case, supra, payment should be adjusted in accordance with the Ballantyne scale of values.

Under the Ballantyne schedule of values, in November, 1944, when the policy in question matured, P60 in Japanese military notes was the equivalent of P1 in Philippine currency. Hence P5,000 in Japanese military notes was equivalent to P83.33 in Philippine currency.

The judgment under review is modified by ordering the petitioner to pay the respondents the sum of P83.33, without pronouncement as to costs.

Paras, C. J., Bengzon, Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Barrera, Gutierrez David, Paredes, and Dizon, JJ., concur.

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