

ANGELITA AMPARO GO, PETITIONER, VS. OFFICE OF THE OMBUDSMAN, INSURANCE COMMISSIONER EDUARDO T. MALINIS AND NORBERTO F. CASTRO, RESPONDENTS.

G.R. No. 131399. October 17, 2003

Ponente: AUSTRIA-MARTINEZ, J.

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AUSTRIA-MARTINEZ, J.:

In this petition for review on certiorari under Rule 45 of the Rules of Court, petitioner Angelita Amparo Go seeks the reversal of the Resolution of the Office of the Ombudsman in OMB-0-96-2225 dismissing her charges against Insurance Commissioner Eduardo T. Malinis and Hearing Officer Norberto F. Castro for Violation of Section 3 [e] of Republic Act No. 3019, otherwise known as Anti-Graft and Corrupt Practices Act, which provides:

Sec. 3. Corrupt practices of public officers. -- In addition to acts omissions of public officers already penalized by existing law, the following shall constitute corrupt practices of any public officer and are hereby declared to be unlawful:

...

(e) Causing any undue injury to any party, including the Government, or giving any private party any unwarranted benefits, advantage or preference in the discharge of his official, administrative or judicial functions through manifest partiality, evident bad faith or gross inexcusable negligence. This provision shall apply to officers and employees of offices or government corporations charged with the grant of licenses or permits or other concessions.

The facts of the case are as follows:

Petitioner is the Treasurer and Vice-President of Wear Me Garment Manufacturing Inc. whose business and factory are located in Nadurata St., Grace Park, Caloocan City. Due to a fire on July 12, 1993 that gutted down Wear Me Garment's factory as well as its machineries and stocks, petitioner filed separate insurance claims against each of the following 14 insurance companies:

(1)

Prudential Guarantee & Assurance Inc.

P 5,000,000.00

(2)

Oriental Assurance Corporation

P 3,500,000.00

(3)

Cibeles Insurance Corporation

P 1,000,000.00

(4)

Pioneer Asia Insurance Corporation

P 1,500,000.00

(5)

Western Guaranty Corp.

P 2,500,000.00

(6)

Liberty Insurance Corporation

P 4,000,000.00

(7)

Filipino Merchants Insurance Co.

P 1,000,000.00

(8)

Reliance Surety & Insurance Co., Inc.

P 500,000.00

(9)

Central Surety & Insurance Co.

P 2,000,000.00

(10)

Phil. British Assurance Corporation

P 1,500,000.00

(11)

Philippine First Insurance Co., Inc.

P 1,500,000.00

(12)

Blue Cross Insurance Co., Inc.

P 2,500,000.00

(13)

Commonwealth Insurance Co.

P 2,000,000.00

(14)

Imperial Insurance Co. Inc.

P 1,278,000.00

which total P29,778,000.00.

Feeling that the resolutions of her claims have been unduly delayed, petitioner sought the assistance of the Insurance Commission (Commission for brevity) through her letter dated January 18, 1994.[1] Acting on said letter, the Public Assistance & Information Division of the Commission held a conference on February 15, 1994 wherein petitioner and the insurance companies' respective representatives met. The insurers manifested their official stance to deny the claims of petitioner.[2] As a result, the conference was terminated without prejudice to petitioner's option to pursue other legal remedies.[3]

Petitioner then sought the intercession of several members and committees of the Legislature, such as, then Senate President Edgardo Angara,[4] Senator Heherson Alvarez and the Senate Blue Ribbon Committee[5] and the House Committee on Banks and Financial Intermediaries,[6] accusing the Commission of acting in conspiracy with the insurance companies in denying and delaying her claims.[7] The legislators and the committees sent communications to the Commission regarding petitioner's claims.[8] Acting on the matter, the Commission conducted several meetings with petitioner and the insurance companies in order to settle the claims. The Commission apprised the legislators and their committees of the actions taken by the Commission and vehemently denied petitioner's accusations.[9]

On June 20, 1994, petitioner filed with the Commission a complaint for Revocation and/or Suspension of Licenses against the fourteen insurance companies, docketed as Adm. Case No. RD-156, based on alleged violation by the insurance companies and their respective adjusters of Section 241 (b), (c), (d) and (e) of the Insurance Code, as amended, to wit:

SEC. 241. (1) No insurance company doing business in the Philippines shall refuse, without just cause, to pay or settle claims arising under coverages provided by its policies, nor shall any such company engage in unfair claim settlement practices. Any of the following acts by an insurance company, if committed without just cause and performed with such frequency as to indicate a general business practice, shall constitute unfair claim settlement practices:

...

(b) Failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies;

(c) Failing to adopt and implement reasonable standards for the the prompt investigation of claims arising under its policies;

(d) Not attempting in good faith to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear; or

(e) Compelling policyholders to institute suits to recover amounts due under its policies by offering without justifiable reason substantially less than the amount ultimately recovered in suits brought by them.

mandating prompt investigation and settlement of claims.[10]

Consequently, the Commission informed the concerned legislative bodies that they could not mediate any longer

petitioner's claims against the insurers because to do so will conflict with its position to maintain strict impartiality in the adjudication of Adm. Case No. RD-156.[11]

Preliminary hearings were conducted in Adm. Case No. RD-156.[12] On November 24, 1994, the complaint was amended including therein several adjusters as party-defendants.[13] Petitioner also filed a Joint Affidavit, together with her husband,[14] and a Motion to Admit Amended Complaint and Affidavit in Lieu of Direct Testimony.[15]

On February 27, 1995, while Adm. Case No. RD-156 is pending before the Commission, petitioner filed with the Regional Trial Court of Quezon City (Branch 222) a civil case for Specific Performance with Damages, docketed as Civil Case No. Q-95-23135, against the same defendants in Adm. Case No. RD-156.[16] The complaint prayed that defendants be ordered to perform their respective obligations as insurers under the insurance policies and to pay damages and attorney's fees.[17]

On March 28, 1995, the pre-trial in Adm. Case No. RD-156 was terminated and consolidated hearings on the case ensued.[18] In its Order dated May 17, 1995, the Commission admitted petitioner's Amended Complaint and Joint Affidavit.[19] Consolidated/joint hearings on the case then proceeded.[20]

On motion to dismiss by two of the insurers, the Commission ordered the suspension of Adm. Case No. RD-156 until final determination of Civil Case No. Q-95-23135.[21] The Commission was of the opinion that the administrative case for revocation/suspension of license of respondents and the civil case for specific performance with the Regional Trial Court involve the same set of parties, facts and circumstances; and that the determination by the Commission of the validity of the claims might conflict with that of the court, or vice-versa.[22]

Aggrieved, petitioner filed with the Office of the Ombudsman a Complaint-Affidavit against Commissioner Malinis and Hearing Officer Castro of the Regulation Division, charging them of Violation of Section 3 [e] of Rep. Act No. 3019, as herein quoted earlier.

In a gist, petitioner alleges in her Complaint-Affidavit, as follows:

Some time in March 1994, petitioner went to the office of respondent Commissioner Malinis to discuss her claims and he informed her that he can settle the claims. However, because respondent Malinis did not fulfill his promise, she decided to file Adm. Case No. RD-156, which was raffled to respondent Castro. Petitioner again visited respondent Malinis on May 20, 1994, and the latter told her that he will settle the claims if she gives him 50% of it. In order for petitioner to accede to respondent Malinis' demand, he ordered Castro to conduct separate hearings on the claims. Castro admitted to petitioner that it was respondent Malinis who instructed him to conduct separate hearings. Petitioner asked respondent Malinis to consolidate the hearings but instead, Malinis again propositioned that he will settle her claims if petitioner gives him 50%. Respondent Malinis then ordered the suspension of Adm. Case No. RD-156 in his Order dated August 29, 1995, which is patently void since he was not the hearing officer, and the order violates E.O. No. 26 and Insurance Circular Memorandum 1-93 on the early disposition of insurance claims.[23]

In his Counter-Affidavit, respondent Malinis denies petitioner's allegations.[24] He contends that the Commission attended to petitioner's claims as early as January 1994 and that despite the fact that it was beyond the jurisdiction of the Commission and the insurance companies refused to grant the claims, he nevertheless exerted efforts to mediate the dispute.[25]

Respondent Castro also denies petitioner's accusations. He maintains that he did not tell petitioner that the holding of separate hearings was upon the instructions of Commissioner Malinis, as in fact, records show that joint hearings were held in Adm. Case No. RD-156; and, that the suspension of Adm. Case No. RD-156 was based on a motion to dismiss filed by the insurance companies, after due hearing on the motion.[26]

Graft Investigation Officer Ginez-Jabalde recommended the dismissal of the charges against respondents per Resolution dated January 13, 1997. However, Ombudsman Desierto ordered further clarificatory hearings.[27] On March 18, 1997, a clarificatory hearing was held wherein respondent Castro explained that although he scheduled separate hearings, it was because the situation called for it as there were various insurance companies, adjusters and issues involved in the claims.[28]

Thereafter, the Ombudsman approved the recommendation of the Graft Investigation Officer to dismiss the charges against respondents.[29] Upon denial by the Ombudsman of her motion for reconsideration,[30] petitioner filed the present petition for review on certiorari.

Petitioner raises the following issues:

CAN AN ADMINISTRATIVE CASE PENDING BEFORE AN ADMINISTRATIVE TRIBUNAL BE PURSUED UNABATED AND INDEPENDENTLY DESPITE SUBSEQUENT FILING OF A CIVIL CASE IN A REGULAR COURT OF JUSTICE WHEREIN IN BOTH CASES, IT (sic) INVOLVE THE SAME PARTIES AND RELATIVELY INVOLVE THE SAME INCIDENT?

WHETHER THE CONDUCT OF A (sic) SEPARATE HEARINGS FOR EACH RESPONDENTS (sic) CONSISTING OF FOURTEEN (14) INSURANCE COMPANIES AND SIX (6) ADJUSTMENT COMPANIES ON THE ONE HAND AND ONE (1) COMPLAINANT ON THE OTHER HAND, RESORTED BY THE HEARING OFFICER IN AN ADMINISTRATIVE CASE PREDICATED ON THE SAME ISSUE AND THE SAME SET OF FACTS AND CIRCUMSTANCES, AND THE SUBSEQUENT SUSPENSION OF THE PROCEEDINGS THEREON VIOLATES SECTION 16, ARTICLE IV OF THE CONSTITUTION AS WELL AS EXECUTIVE ORDER NO. 26 AND INSURANCE MEMORANDUM CIRCULAR 1-93 MANDATING THE SPEEDY DISPOSITION OF ADMINISTRATIVE CASES.[31]

The Court finds the petition devoid of merit. The Ombudsman did not commit any grave abuse of discretion when it found no probable cause and dismissed the Complaint-Affidavit against respondents.

The Ombudsman resolved to dismiss the charges against respondents as the latter were able to satisfactorily explain the reason for the holding of separate hearings, i.e., expediency, and the Commission is allowed under its rules of procedure to order the suspension of Adm. Case No. RD-156. The Ombudsman concluded:

The conduct of separate hearings and issuance of the Order were all done in the regular performance of duties by the respondents Insurance Commissioner and Hearing Officer respectively (sic). Moreover, they were done within the purview of the rules of procedure governing the functions of the Insurance Commission.

Finally, complainant failed to substantiate her charge with any concrete evidence, thus we can simply regard the charge against respondent Eduardo T. Malinis and Norberto F. Castro as if it does not exist at all.[32]

Petitioner insists that the filing of Civil Case No. Q-95-23135 before the regular court does not abate or suspend the proceedings in Adm. Case No. RD-156. Petitioner argues further that the holding of separate hearings violates her constitutional right to the speedy disposition of her case.

It has been the Court's policy to refrain from interfering with the Ombudsman's exercise of its investigatory and prosecutory powers, unless there are good and compelling reasons to rule otherwise.[33] We find no cogent reason that justifies the reversal of the dismissal of the charges against respondents.

In her Affidavits, petitioner alleges that respondent Malinis' act of demanding 50% of the insurance claims, instructing respondent Castro to conduct separate hearings, and suspending Adm. Case No. RD-156, caused her undue injury and gave the insurance companies unwarranted benefits, advantage and preference.[34] Aside from such bare allegations, there is nothing on record proving that respondent Malinis in fact demanded such 50%, or

that the holding of the separate hearings and the suspension of the proceedings were done in order to coerce petitioner into acceding to Malinis' demand.

Petitioner argues that respondent Malinis did not deny her accusations and failed to answer the charges against him, indicating therefore the truth of her allegations.[35] Indeed, the general rule is that failure to deny allegations in the complaint results in admission thereof. [36] Such rule, however, is not absolute and admits of exceptions.[37] In *Florentino Atillo III vs. Court of Appeals, Amancor, Inc. and Michell Lhuillier*,[38] we held that in spite of the presence of judicial admissions in a party's pleading, the trial court is still given leeway to consider other evidence presented;[39] or, as in the present case, the absence of evidence for the petitioner to prove her claim.

It is fundamental that upon him who alleges rests the burden of proof;[40] hence, it is incumbent upon petitioner to prove her allegations with competent evidence.[41] She cannot simply rely on respondent Malinis' failure to specifically deny her allegations to prove that there was such an illegal proposition. Respondents may not be indicted on mere presumptions.

A review of the records shows that petitioner failed to prove her claim such that respondents may not be indicted for the acts complained of. As aptly found by the Ombudsman, there was no concrete evidence presented by petitioner to substantiate her charge.[42]

To establish probable cause for Violation of Section 3[e] of R.A. 3019, the following elements must be present:

(1)

The accused is a public officer or a private person charged in conspiracy with the former;

(2)

The said public officer commits the prohibited acts during the performance of his or her official duties or in relation to his or her public positions;

(3)

That he or she causes undue injury to any party, whether the government or a private party;

(4)

Such undue injury is caused by giving unwarranted benefits, advantage or preference to such parties; and

(5)

That the public officer has acted with manifest partiality, evident bad faith or gross inexcusable negligence[.43]

The causing of undue injury or the giving of any unwarranted benefits, advantage or preference through manifest partiality, evident bad faith or gross inexcusable negligence constitutes the very act punished under the foregoing section.[44]

Petitioner complains that she found it "difficult and burdensome to prosecute her case against the insurers ... not to mention that she had been rendered despondent by the loss of her business due to conflagration." [45] Such difficulty and burden, however, do not, per se, constitute the undue injury contemplated by law.

Jurisprudence has consistently interpreted the term "undue injury" as synonymous to "actual damage." [46] In *Llorente, Jr. vs. Sandiganbayan*, [47] we explained the concept of "undue injury" as an element of the offense

punishable under Section 3 [e] of Rep. Act No. 3019, to wit:

... Undue has been defined as "more than necessary, not proper, [or] illegal;" and injury as "any wrong or damage done to another, either in his person, rights, reputation or property[;] [that is, the] invasion of any legally protected interest of another." Actual damage, in the context of these definitions, is akin to that in civil law.

...

Petitioner may have been fraught with attending and litigating her claims against each of the fourteen insurers as well as the insurance adjusters, individually, but inconvenience is certainly not constitutive of undue injury.[48]

Moreover, petitioner failed to show that the conduct of separate hearings was done by respondents through manifest partiality, evident bad faith or gross inexcusable negligence.

Records show that as early as January 1994, when petitioner first brought the matter of the delay in her insurance claims to the Commission, respondent Malinis, upon the request of petitioner, exerted efforts to mediate between her and the insurance companies in order to amicably settle the claims notwithstanding the fact that it was beyond the jurisdictional amount cognizable by the Commission under the Insurance Code, as amended.

Paragraph 1, Section 416 of the Code provides that the Insurance Commissioner shall have the power to adjudicate claims and complaints involving any loss, damage or liability for which an insurer may be answerable under any kind of policy or contract of insurance where the amount of any such loss, damage or liability does not exceed in any single claim one hundred thousand pesos. When the insurance companies made known their official position to deny the claims, respondent Malinis persisted in holding meetings between the parties. It was only after petitioner formally filed a complaint for Revocation and/or Suspension of Licenses with the Commission that settlement discussions were discontinued as it may compromise the Commission's impartiality.[49] These clearly are not indicative of evident bad faith, manifest partiality or gross inexcusable negligence on respondents' part. Thus, respondent Malinis cannot be faulted for attempting to mediate among the parties.

Records also show that the separate hearings on the case were held only during the early part of the proceedings in Adm. Case No. RD-156, particularly on August 15, 16, 17, 1994, and September 6, 7, 8, 9, 12, 13, 14, 16, 19, 20, 21, 22, 23, 1994.[50] During the clarificatory hearing held before the Office of the Ombudsman, respondent Castro explained that the conduct of separate hearings was necessary because petitioner's claims involved several insurance companies, adjusters and peculiar issues for each of the companies.[51] What petitioner conveniently omitted to add is that consolidated/joint hearings were in fact held on August 25, 29, 1994, April 6, 1995, May 12, 1995, June 5, 1995, and July 3, 1995.[52] This negates petitioner's allegation that respondents were deliberately holding separate hearings to her prejudice. Notably, it was during the hearing of July 3, 1995 that the motion to dismiss the Amended Complaint was heard and argued before respondent Castro who eventually decided to order the suspension of the proceedings.[53]

The fact that the Commission suspended the proceedings due to the pendency of Civil Case No. Q-95-23135 does not constitute an indictable offense under Section 3 [e] of R.A. No. 3019.

In *Almendras Mining Corporation vs. Office of the Insurance Commission*,^[54] the Court expounded on the two-fold powers of the Insurance Commission under the Insurance Code, as amended, ^[55] to wit:

... the Office of the Insurance Commission is an administrative agency vested with regulatory power as well as with adjudicatory authority. Among the several regulatory or non-quasi-judicial duties of the Insurance Commissioner under the Insurance Code is the authority to issue, or refuse issuance of, a Certificate of Authority to a person or entity desirous of engaging in insurance business in the Philippines, and to revoke or

suspend such Certificate of Authority upon a finding of the existence of statutory grounds for such revocation or suspension. The grounds for revocation or suspension of an insurer's Certificate of Authority are set out in Section 241 and in Section 247 of the Insurance Code as amended. The general regulatory authority of the Insurance Commissioner is described in Section 414 of the Insurance Code, as amended, in the following terms:

Sec. 414. The Insurance Commissioner shall have the duty to see that all laws relating to insurance, insurance companies and other insurance matters, mutual benefit associations, and trusts for charitable uses are faithfully executed and to perform the duties imposed upon him by this Code, and shall, notwithstanding any existing laws to the contrary, have sole and exclusive authority to regulate the issuance and sale of variable contracts as defined in section two hundred thirty-two and to provide for the licensing of persons selling such contracts, and to issue such reasonable rules and regulations governing the same.

...

The adjudicatory authority of the Insurance Commissioner is generally described in Section 416 of the Insurance Code, as amended, which reads as follows:

Sec. 416. The Commissioner shall have the power to adjudicate claims and complaints involving any loss, damage or liability for which an insurer may be answerable under any kind of policy or contract of insurance, or for which such insurer may be liable under a contract of suretyship, or for which a reinsurer may be sued under any contract or reinsurance it may have entered into, or for which a mutual benefit association may be held liable under the membership certificates it has issued to its members, where the amount of any such loss, damage or liability, excluding interests, cost and attorney's fees, being claimed or sued upon any kind of insurance, bond, reinsurance contract, or membership certificate does not exceed in any single claim one hundred thousand pesos. (Emphasis supplied)

Under its adjudicatory authority, the Insurance Commission has the original jurisdiction to adjudicate and settle insurance claims and complaints where the amount being claimed does not exceed in any single claim one hundred thousand pesos, as provided in Section 416 of the Code. Such original jurisdiction is concurrent with that of the Metropolitan Trial Courts, the Municipal Trial Courts and the Municipal Circuit Trial Courts.[56]

In addition to such adjudicatory power, the Commissioner has the regulatory authority to revoke or suspend the certificate or authority of an insurance company upon finding the legal grounds for such revocation or suspension under Sections 241 and 247 of the Insurance Code. Section 241 is quoted in the early part of herein Decision. Section 247 provides:

SEC. 247. If the Commissioner is of the opinion upon examination or other evidence that any domestic or foreign insurance company is in an unsound condition, or that it has failed to comply with the provisions of law or regulations obligatory upon it, or that its condition or methods of business is such as to render its proceedings hazardous to the public or to its policyholders, or that its paid-up capital stock, in the case of a domestic stock company, or its available cash assets, in the case of domestic mutual company, or its security deposits, in the case of a foreign company, is impaired or deficient, or that the margin of solvency required of such company is deficient, the Commissioner is authorized to suspend or revoke all certificates of authority granted to such insurance company, its officers and agents, and no new business shall thereafter be done by such company or for such company by its agent in the Philippines while such suspension, revocation or disability continues or until its authority to do business is restored by the Commission. Before restoring such authority, the Commissioner shall required the company concerned to subject to him a business plan showing the company's estimated receipts and disbursements, as well as the basis therefore, for the next succeeding three years. (As amended by P.D. No. 1455)

Petitioner pursued her fire insurance claims through the regular courts when she filed Civil Case No. Q-95-23135 for Specific Performance with Damages with the RTC-Quezon City (Branch 222), her claims being beyond the

jurisdiction of the Commission. In resolving petitioner's claims, the trial court must therefore determine whether there was unreasonable denial or withholding of the claims by the insurance companies.

On the other hand, in Adm. Case No. RD-156 pending before the Insurance Commission, the Commissioner is called upon to determine whether there was unreasonable delay or withholding of the claims, as petitioner's action is one for the Revocation and/or Suspension of Licenses on grounds of alleged violations of Section 241 (b), (c), (d) and (e) of the Insurance Code, as amended, on prompt investigation and settlement of claims. The jurisdiction of the Commission in this case is one that calls for the exercise of its regulatory or non-quasi-judicial duty, i.e., the authority to revoke or suspend an insurer's certificate of authority.[57] Aside from the revocation/suspension of license, the Insurance Commissioner also has the discretion to impose upon the erring insurance companies and its directors, officers and agents, fines and penalties, as set out in Section 415, viz.:

SEC. 415. In addition to the administrative sanction provided elsewhere in this Code, the Insurance Commissioner is hereby authorized, at his discretion, to impose upon insurance companies, their directors and/or officers and/or agents, for any willful failure or refusal to comply with, or violation of any provision of this Code, or any order, instruction, regulation or ruling of the Insurance Commissioner, or any commission of irregularities, and/or conducting business in an unsafe or unsound manner as may be determined by the Insurance Commissioner, the following:

(a)

Fines not in excess of five hundred pesos a day; and

(b)

Suspension, or after due hearing, removal of directors and/or officers and/or agents.

The findings of the trial court will not necessarily foreclose the administrative case before the Commission, or vice versa. True, the parties are the same, and both actions are predicated on the same set of facts, and will require identical evidence. But the issues to be resolved, the quantum of evidence, the procedure to be followed and the reliefs to be adjudged by these two bodies are different.

Petitioner's causes of action in Civil Case No. Q-95-23135 are predicated on the insurers' refusal to pay her fire insurance claims despite notice, proofs of losses and other supporting documents. Thus, petitioner prays in her complaint that the insurers be ordered to pay the full-insured value of the losses, as embodied in their respective policies.[58] Petitioner also sought payment of interests and damages in her favor caused by the alleged delay and refusal of the insurers to pay her claims.[59] The principal issue then that must be resolved by the trial court is whether or not petitioner is entitled to the payment of her insurance claims and damages. The matter of whether or not there is unreasonable delay or denial of the claims is merely an incident to be resolved by the trial court, necessary to ascertain petitioner's right to claim damages, as prescribed by Section 244 of the Insurance Code.

On the other hand, the core, if not the sole bone of contention in Adm. Case No. RD-156, is the issue of whether or not there was unreasonable delay or denial of the claims of petitioner, and if in the affirmative, whether or not that would justify the suspension or revocation of the insurers' licenses.

Moreover, in Civil Case No. Q-95-23135, petitioner must establish her case by a preponderance of evidence, or simply put, such evidence that is of greater weight, or more convincing than that which is offered in opposition to it.[60] In Adm. Case No. RD-156, the degree of proof required of petitioner to establish her claim is substantial evidence, which has been defined as that amount of relevant evidence that a reasonable mind might accept as adequate to justify the conclusion.[61]

In addition, the procedure to be followed by the trial court is governed by the Rules of Court,[62] while the

Commission has its own set of rules^[63] and it is not bound by the rigidities of technical rules of procedure.^[64] These two bodies conduct independent means of ascertaining the ultimate facts of their respective cases that will serve as basis for their respective decisions.

If, for example, the trial court finds that there was no unreasonable delay or denial of her claims, it does not automatically mean that there was in fact no such unreasonable delay or denial that would justify the revocation or suspension of the licenses of the concerned insurance companies. It only means that petitioner failed to prove by preponderance of evidence that she is entitled to damages. Such finding would not restrain the Insurance Commission, in the exercise of its regulatory power, from making its own finding of unreasonable delay or denial as long as it is supported by substantial evidence.

While the possibility that these two bodies will come up with conflicting resolutions on the same issue is not far-fetched, the finding or conclusion of one would not necessarily be binding on the other given the difference in the issues involved, the quantum of evidence required and the procedure to be followed.

Moreover, public interest and public policy demand the speedy and inexpensive disposition of administrative cases.^[65]

Hence, Adm. Case No. RD-156 may proceed alongside Civil Case No. Q-95-23135.

The suspension of Adm. Case No. RD-156 by respondents, albeit erroneous, is not sufficient indicia of evident bad faith, manifest partiality or gross inexcusable negligence. Respondents' mistaken sense of prudence and judgment, dictated the suspension of the proceedings. To hold respondents responsible for such error would be nothing short of harassment. For no one called upon to try the facts or interpret the law in the process of administering justice can be infallible in his judgment.^[66]

WHEREFORE, the instant petition for review on certiorari is hereby DENIED for lack of merit. However, in the interest of orderly administration of justice, the Insurance Commission is directed to proceed with immediate dispatch in conducting the hearings of Adm. Case No. RD-156 to determine whether or not the licenses of the insurance companies and adjusters may be revoked or suspended as prayed for by petitioner.

No costs.

SO ORDERED.

Bellosillo, (Chairman), Quisumbing, Callejo, Sr., and Tinga, JJ., concur.

[1] Records, p. 46.

[2] Id., p. 47.

[3] Ibid.

[4] Id., p. 50.

[5] Id., p. 69.

[6] Id., p. 72.

[7] Id., pp. 66, 72.

[8] Id., pp. 50, 69, 72.

- [9] Id., pp. 65, 68, 70-71, 73.
- [10] Annex "B," Records, pp. 9-14.
- [11] Records, pp. 70-71, 73.
- [12] Id., pp. 78-83, 93, 98-113.
- [13] Id., pp. 114-119, Annex "26".
- [14] Id., pp. 121-129, Annex "27".
- [15] Id., pp. 130-133, Annex "28".
- [16] Rollo, pp. 69-79, Annex "F".
- [17] Id., pp. 77-78.
- [18] Id., p. 94.
- [19] Id., pp. 96-97.
- [20] Id., pp. 84, 87-89, 90-92.
- [21] Order dated August 29, 1995, Records, pp. 134-139.
- [22] Id., pp. 138-139.
- [23] Records, pp. 3-5.
- [24] Id., p. 44.
- [25] Ibid.
- [26] Id., pp. 75-76.
- [27] Id., p. 235.
- [28] Id., p. 243.
- [29] Id., p. 244.
- [30] Id., p. 258.
- [31] Rollo, p. 12.
- [32] Records, p. 244.
- [33] Presidential Ad Hoc Fact-Finding Committee on Behest Loans vs. Desierto, G.R. No. 135482, August 14, 2001, 415 Phil. 135, 151; General Bank and Trust Co. vs. Ombudsman, G.R. No. 125440, January 31, 2000, 324 SCRA 113, 125.
- [34] Records, pp. 3-6, Complaint-Affidavit; 143-144, Reply-Affidavit.
- [35] Id., p. 144.
- [36] National Power Corporation vs. Court of Appeals, G.R. No. 113103, June 13 1997, 273 SCRA 419, 445.
- [37] Ibid.

[38] G.R. No. 119053, January 23, 1997; 266 SCRA 596, 605.

[39] Ibid.

[40] People vs. Villar, G.R. No. 127572, January 19, 2000, 322 SCRA 393, 403.

[41] Ibid.

[42] Records, p. 244.

[43] Baylon vs. Office of the Ombudsman, G.R. No. 142738, December 14, 2001, 372 SCRA 437, 450; Olarez vs. Desierto, G.R. No. 142889, September 21, 2001, 365 SCRA 587, 591.

[44] Llorente, Jr. vs. Sandiganbayan, G.R. No. 122166, March 11, 1998, 287 SCRA 382, 399.

[45] Rollo, p. 24.

[46] Arroyo vs. Alcantara, A.M. No. P-01-1518, November 14, 2001, 368 SCRA 567, 573.

[47] Llorente case, supra, Note 44.

[48] Ibid.

[49] Records, p. 70.

[50] Id., pp. 151-168; Annexes "A" to "R."

[51] Id., p. 243.

[52] Id., pp. 78-113, Annexes "1" to "26"; Annex "30," pp. 132-133.

[53] Id., p. 138.

[54] G.R. No. L-72878, April 15, 1988, 160 SCRA 656, 661-663.

[55] In 1978, all insurance laws were consolidated and codified by P.D. No. 1460 into a single code known as the Insurance Code of 1978. Basically, P.D. No. 1460 reenacted P.D. 612, as amended. P.D. No. 1460 was later amended by P.D. No. 1814 and B.P. Blg. 874.

[56] Batas Pambansa Blg. 129, as amended by Republic Act No. 7691, increased the jurisdictional amount cognizable by the regular courts of competent jurisdiction. As it now stands, Regional Trial Courts shall exercise exclusive original jurisdiction in cases in which the demand, exclusive of interest, damages of whatever kind, attorney's fees litigation expenses, and costs or the value of the property in controversy exceeds One hundred thousand pesos (P100,000.00) or, in such other cases in Metro Manila, where the demand, exclusive of the above-mentioned items exceeds Two hundred thousand pesos (P200,000.00). Meanwhile, Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts shall exercise exclusive original jurisdiction over civil actions and probate proceedings testate and intestate, including the grant of provisional remedies in proper cases, where the value of the personal property, estate, or amount of the demand does not exceed One hundred thousand pesos (P100,000.00), or in Metro Manila where such personal property, estate or amount of the demand does not exceed Two Hundred Thousand Pesos (P200,000.00), exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses, and costs ... (Emphasis supplied)

[57] Almendras case, supra, Note 54.

[58] Rollo, pp. 77-78.

[59] Ibid.

[60] Rule 133, Section 1, Rules of Court; Mico Metals Corporation vs. Court of Appeals, G.R. No. 117914, February 1, 2002, 375 SCRA 579, 590; Go vs. Court of Appeals, G.R. No. 112550, February 5, 2001, 351 SCRA 145, 152.

[61] Rule 133, Section 5, Rules of Court; Tapiador vs. Ombudsman, G.R. No. 129124, March 15, 2002; Perpetual Help Credit Cooperative, Inc. vs. Faburada, G.R. No. 121948; October 8, 2001, 419 Phil. 147, 155; Villanueva vs. Court of Appeals, G.R. No. 99357, January 27, 1992, 205 SCRA 537, 545.

[62] Rule 1, Sections 2 and 3, Rules of Court.

[63] Insurance Memorandum Circular No. 1-93, Rules of Procedure Governing Administrative Cases Before the Insurance Commission, dated December 3, 1992.

[64] Garcia vs. National Labor Relations Commission, G.R. No. L-67825, September 4, 1987, 153 SCRA 639, 653-654.

[65] Executive Order No. 26, Prescribing Procedures and Sanctions to Ensure Speedy Disposition of Administrative Cases, dated October 7, 1992, and signed by President Fidel V. Ramos.

[66] Bacar vs. De Guzman, Jr., A.M. No. RTJ-96-1349, April 18, 1997, 271 SCRA 328, 338.

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