

**YU CUA, NG CHIONG ENG, JOSE DE LOS SANTOS AND NG GIOC LIU,
COPARTNERS DOING BUSINESS UNDER THE FIRM NAME AND STYLE
OF YU CUA & CO., PLAINTIFFS AND APPELLANTS, VS. SOUTH
BRITISH ...**

G. R. No. 15905. October 27, 1920

Ponente: MALCOLM, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-15905/>

MALCOLM, J.:

These are actions to recover P110,000 on seven fire insurance policies for property said to be valued at P128,062.50, destroyed by fire at San Quintin, Pangasinan, on April 4, 1919.

A statement of the case and of the facts was so succinctly and clearly made in the decision rendered by the trial judge that we can do no better than to make it our own. Judge Ostrand's decision reads:

"By stipulation of the parties the five cases above named were consolidated for trial, the evidence taken being applicable to all. They involve seven policies of insurance effected by the plaintiff partnership in the defendant companies. The dates and amounts of the policies, the property insured, the names of the insurance companies, are as follows: Commercial Union Assurance Co., Ltd., P20,000, on goods and merchandise, including rice and palay, March 10, 1919; Sun Insurance Office, P20,000, on palay, March 10, 1919; Sun Insurance Office, P10,000, on palay, March 20, 1919; Phoenix Assurance Co., Ltd., P15,000, on palay, March 10, 1919; South British Insurance Co., Ltd., P10,000, on goods and merchandise, including rice and palay, March 10, 1919; Guardian Assurance Co., Ltd., P15,000, on palay, March 10, 1919; Guardian Assurance Co., Ltd., P20,000, on palay, March 20, 1919. Each of these policies contained a clause providing that, if the insured should make any fraudulent claim for loss all benefit under the policy should be forfeited.

"The insured property was stored, or to be stored, in a galvanized iron bodega, with galvanized iron roof, situated in the municipality of San Quintin, Province of Pangasinan, where the plaintiff partnership was engaged in business. This bodega was destroyed by fire on April 4, 1919, and, with its contents, was a total loss.

"The plaintiff partnership made claim on the defendant companies for P110,000, the total amount of the policies, supporting its claim by sworn statements alleging the total loss of 42,000 arrobas of palay ilocano, valued at P46,200; 8,000 cavanos of palay tagalog, valued at P41,600; and rice, piece goods, canned goods, and other merchandise, valued at P40,262.60.

"The agents of the insurance companies rejected the claims, and plaintiff brought these actions. The defendants answered setting up the defense that plaintiff's claim were fraudulent in that the loss on palay did not exceed P1,000 and the loss of merchandise P8,000. The defendants also alleged that the fire was caused by the wilful act of the plaintiff.

"Upon trial, members of the plaintiff partnership and its Chinese employees testified that the bodega at the time of the fire contained the amount of palay and merchandise set out in plaintiff's claims. Felipa Chan Tongco testified that at the time of the fire she had deposited in the plaintiff's bodega 8,000 cavanos of palay,

worth P41,600. Other witnesses for the plaintiff stated that they had seen a considerable quantity of palay and merchandise in the bodega shortly before the fire.

"For the defendants H. H. Johnson testified that he went through the bodega on the evening of the day before the fire, and that it contained but 400 or 500 arrobas of palay ilocano, 8 or 9 cavanos of palay tagalog, and a small quantity of assorted merchandise on shelves and in opened cases; that the fire burnt out in a short time and left but a few ashes or cinders. His testimony was corroborated by Maximino Nalos, a sergeant of the municipal police of San Quintin; Marcelo Cansino, a property owner; Melecio Ormillo, farmer; and Gregorio Santos, a Constabulary agent. Messrs. Naismith, Perequet, and Dix, representatives of the insurance companies, who inspected the remains of the godown two days after the fire, found only a small quantity of palay ashes and a few tins.

"This evidence for the defendant, given for the most part by unprejudiced witnesses, is convincing, and satisfies the court that the fire destroyed but a negligible amount of palay and other merchandise. It is obvious that, if the bodega had been stocked as plaintiff claimed, the fire would have burned for a long time and would have left a very large quantity of tins, charred cloth, and palay cinders. On the contrary, the fire burnt out quickly and left so few ashes that they can not be seen in the photographs taken two days after the fire, defendants' Exhibits 2 and 6. The court finds that the plaintiff's actual loss was but a small fraction of the amount set out in the claims presented to the defendant companies, and that the claims were for that reason fraudulent.

"The defendants introduced evidence tending to prove that the fire was caused by the plaintiff's own act. While this evidence was convincing, it is unnecessary to make any finding on this point, as the plaintiff, by the presentation of fraudulent claims, has forfeited all rights under the policies in question.

"Wherefore, it is ordered and adjudged that the complaints herein be dismissed, with costs to the defendants."

Five errors are assigned by plaintiffs. The first, conceded to be to an extent determinative of the whole case, is, that the trial court erred in finding that "the fire destroyed but a negligible amount of palay and other merchandise." The appeal consequently raises but a question of fact. The resolution of this question of fact depends on the credibility of the respective sets of witnesses for the plaintiffs and for the defense. Our study of the record leads us to the same conclusions as were arrived at by the trial judge.

Our findings of fact thus being substantially the same as the trial court's, it is then only necessary to quote one clause of the insurance policies and the very apparent reason why the plaintiffs cannot recover on their actions is demonstrated beyond cavil. One of the conditions upon which the policies were granted was that "If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the insured or anyone acting on his behalf to obtain any benefit under this policy; or, if the loss or damage be occasioned by the wilful act, or with the connivance of the insured; or, if the insured or anyone acting on his behalf shall hinder or obstruct the company in doing any of the acts referred to in condition 12; or, if the claim be made and rejected and an action or suit be not commenced within three months after such rejection, or (in case of an arbitration taking place in pursuance of the 18th condition of this policy) within three months after the arbitrator or arbitrators or umpire shall have made their award, all benefit under this policy shall be forfeited."

The plaintiffs having made a false claim with reference to their loss, must, in accordance with the contract of insurance, suffer the consequences and forfeit all benefit under the policies. The insurance policies are avoided for intentional and material false representations.

Judgment is affirmed, with costs against the appellants. So ordered.

Mapa, C. J., Johnson, Araullo, Avanceña, and Villamor, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.