

VIOLETA R. LALICAN, PETITIONER, VS. THE INSULAR LIFE ASSURANCE COMPANY LIMITED, AS REPRESENTED BY THE PRESIDENT VICENTE R. AVILON, RESPONDENT.

G.R. No. 183526. August 25, 2009

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

Challenged in this Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court are the Decision[2] dated 30 August 2007 and the Orders dated 10 April 2008[3] and 3 July 2008[4] of the Regional Trial Court (RTC) of Gapan City, Branch 34, in Civil Case No. 2177. In its assailed Decision, the RTC dismissed the claim for death benefits filed by petitioner Violeta R. Lalican (Violeta) against respondent Insular Life Assurance Company Limited (Insular Life); while in its questioned Orders dated 10 April 2008 and 3 July 2008, respectively, the RTC declared the finality of the aforesaid Decision and denied petitioner's Notice of Appeal.

The factual and procedural antecedents of the case, as culled from the records, are as follows:

Violeta is the widow of the deceased Eulogio C. Lalican (Eulogio).

During his lifetime, Eulogio applied for an insurance policy with Insular Life. On 24 April 1997, Insular Life, through Josephine Malaluan (Malaluan), its agent in Gapan City, issued in favor of Eulogio Policy No. 9011992,[5] which contained a 20-Year Endowment Variable Income Package Flexi Plan worth P500,000.00,[6] with two riders valued at P500,000.00 each.[7] Thus, the value of the policy amounted to P1,500,000.00. Violeta was named as the primary beneficiary.

Under the terms of Policy No. 9011992, Eulogio was to pay the premiums on a quarterly basis in the amount of P8,062.00, payable every 24 April, 24 July, 24 October and 24 January of each year, until the end of the 20-year period of the policy. According to the Policy Contract, there was a grace period of 31 days for the payment of each premium subsequent to the first. If any premium was not paid on or before the due date, the policy would be in default, and if the premium remained unpaid until the end of the grace period, the policy would automatically lapse and become void.[8]

Eulogio paid the premiums due on 24 July 1997 and 24 October 1997. However, he failed to pay the premium due on 24 January 1998, even after the lapse of the grace period of 31 days. Policy No. 9011992, therefore, lapsed and became void.

Eulogio submitted to the Cabanatuan District Office of Insular Life, through Malaluan, on 26 May 1998, an Application for Reinstatement[9] of Policy No. 9011992, together with the amount of P8,062.00 to pay for the premium due on 24 January 1998. In a letter[10] dated 17 July 1998, Insular Life notified Eulogio that his Application for Reinstatement could not be fully processed because, although he already deposited P8,062.00 as payment for the 24 January 1998 premium, he left unpaid the overdue interest thereon amounting to P322.48. Thus, Insular Life instructed Eulogio to pay the amount of interest and to file another application for

reinstatement. Eulogio was likewise advised by Malaluan to pay the premiums that subsequently became due on 24 April 1998 and 24 July 1998, plus interest.

On 17 September 1998, Eulogio went to Malaluan's house and submitted a second Application for Reinstatement^[11] of Policy No. 9011992, including the amount of P17,500.00, representing payments for the overdue interest on the premium for 24 January 1998, and the premiums which became due on 24 April 1998 and 24 July 1998. As Malaluan was away on a business errand, her husband received Eulogio's second Application for Reinstatement and issued a receipt for the amount Eulogio deposited.

A while later, on the same day, 17 September 1998, Eulogio died of cardio-respiratory arrest secondary to electrocution.

Without knowing of Eulogio's death, Malaluan forwarded to the Insular Life Regional Office in the City of San Fernando, on 18 September 1998, Eulogio's second Application for Reinstatement of Policy No. 9011992 and P17,500.00 deposit. However, Insular Life no longer acted upon Eulogio's second Application for Reinstatement, as the former was informed on 21 September 1998 that Eulogio had already passed away.

On 28 September 1998, Violeta filed with Insular Life a claim for payment of the full proceeds of Policy No. 9011992.

In a letter^[12] dated 14 January 1999, Insular Life informed Violeta that her claim could not be granted since, at the time of Eulogio's death, Policy No. 9011992 had already lapsed, and Eulogio failed to reinstate the same. According to the Application for Reinstatement, the policy would only be considered reinstated upon approval of the application by Insular Life during the applicant's "lifetime and good health," and whatever amount the applicant paid in connection thereto was considered to be a deposit only until approval of said application. Enclosed with the 14 January 1999 letter of Insular Life to Violeta was DBP Check No. 0000309734, for the amount of P25,417.00, drawn in Violeta's favor, representing the full refund of the payments made by Eulogio on Policy No. 9011992.

On 12 February 1998, Violeta requested a reconsideration of the disallowance of her claim. In a letter^[13] dated 10 March 1999, Insular Life stated that it could not find any reason to reconsider its decision rejecting Violeta's claim. Insular Life again tendered to Violeta the above-mentioned check in the amount of P25,417.00.

Violeta returned the letter dated 10 March 1999 and the check enclosed therein to the Cabanatuan District Office of Insular Life. Violeta's counsel subsequently sent a letter^[14] dated 8 July 1999 to Insular Life, demanding payment of the full proceeds of Policy No. 9011992. On 11 August 1999, Insular Life responded to the said demand letter by agreeing to conduct a re-evaluation of Violeta's claim.

Without waiting for the result of the re-evaluation by Insular Life, Violeta filed with the RTC, on 11 October 1999, a Complaint for Death Claim Benefit,^[15] which was docketed as Civil Case No. 2177. Violeta alleged that Insular Life engaged in unfair claim settlement practice and deliberately failed to act with reasonable promptness on her insurance claim. Violeta prayed that Insular Life be ordered to pay her death claim benefits on Policy No. 9011992, in the amount of P1,500,000.00, plus interests, attorney's fees, and cost of suit.

Insular Life filed with the RTC an Answer with Counterclaim,^[16] asserting that Violeta's Complaint had no legal or factual bases. Insular Life maintained that Policy No. 9011992, on which Violeta sought to recover, was rendered void by the non-payment of the 24 January 1998 premium and non-compliance with the requirements for the reinstatement of the same. By way of counterclaim, Insular Life prayed that Violeta be ordered to pay attorney's fees and expenses of litigation incurred by the former.

Violeta, in her Reply and Answer to Counterclaim, asserted that the requirements for the reinstatement of Policy No. 9011992 had been complied with and the defenses put up by Insular Life were purely invented and illusory.

After trial, the RTC rendered, on 30 August 2007, a Decision in favor of Insular Life.

The RTC found that Policy No. 9011992 had indeed lapsed and Eulogio needed to have the same reinstated:

[The] arguments [of Insular Life] are not without basis. When the premiums for April 24 and July 24, 1998 were not paid by [Eulogio] even after the lapse of the 31-day grace period, his insurance policy necessarily lapsed. This is clear from the terms and conditions of the contract between [Insular Life] and [Eulogio] which are written in [the] Policy provisions of Policy No. 9011992 x x x.[17]

The RTC, taking into account the clear provisions of the Policy Contract between Eulogio and Insular Life and the Application for Reinstatement Eulogio subsequently signed and submitted to Insular Life, held that Eulogio was not able to fully comply with the requirements for the reinstatement of Policy No. 9011992:

The well-settled rule is that a contract has the force of law between the parties. In the instant case, the terms of the insurance contract between [Eulogio] and [Insular Life] were spelled out in the policy provisions of Insurance Policy No. 9011992. There is likewise no dispute that said insurance contract is by nature a contract of adhesion[,] which is defined as "one in which one of the contracting parties imposes a ready-made form of contract which the other party may accept or reject but cannot modify." (Polotan, Sr. vs. CA, 296 SCRA 247).

x x x x

The New Lexicon Webster's Dictionary defines ambiguity as the "quality of having more than one meaning" and "an idea, statement or expression capable of being understood in more than one sense." In Nacu vs. Court of Appeals, 231 SCRA 237 (1994), the Supreme Court stated that[:]

"Any ambiguity in a contract, whose terms are susceptible of different interpretations as a result thereby, must be read and construed against the party who drafted it on the assumption that it could have been avoided by the exercise of a little care."

In the instant case, the dispute arises from the afore-quoted provisions written on the face of the second application for reinstatement. Examining the said provisions, the court finds the same clearly written in terms that are simple enough to admit of only one interpretation. They are clearly not ambiguous, equivocal or uncertain that would need further construction. The same are written on the very face of the application just above the space where [Eulogio] signed his name. It is inconceivable that he signed it without reading and understanding its import.

Similarly, the provisions of the policy provisions (sic) earlier mentioned are written in simple and clear layman's language, rendering it free from any ambiguity that would require a legal interpretation or construction. Thus, the court believes that [Eulogio] was well aware that when he filed the said application for reinstatement, his lapsed policy was not automatically reinstated and that its approval was subject to certain conditions. Nowhere in the policy or in the application for reinstatement was it ever mentioned that the payment of premiums would have the effect of an automatic and immediate renewal of the lapsed policy. Instead, what was clearly stated in the application for reinstatement is that pending approval thereof, the premiums paid would be treated as a "deposit only and shall not bind the company until this application is finally approved during my/our" lifetime and good health[.]"

Again, the court finds nothing in the aforesaid provisions that would even suggest an ambiguity either in the words used or in the manner they were written. [Violeta] did not present any proof that [Eulogio] was not conversant with the English language. Hence, his having personally signed the application for reinstatement[,] which consisted only of one page, could only mean that he has read its contents and that he understood them. x x

Therefore, consistent with the above Supreme Court ruling and finding no ambiguity both in the policy provisions of Policy No. 9011992 and in the application for reinstatement subject of this case, the court finds no merit in [Violeta's] contention that the policy provision stating that [the lapsed policy of Eulogio] should be reinstated during his lifetime is ambiguous and should be construed in his favor. It is true that [Eulogio] submitted his application for reinstatement, together with his premium and interest payments, to [Insular Life] through its agent Josephine Malaluan in the morning of September 17, 1998. Unfortunately, he died in the afternoon of that same day. It was only on the following day, September 18, 1998 that Ms. Malaluan brought the said document to [the regional office of Insular Life] in San Fernando, Pampanga for approval. As correctly pointed out by [Insular Life] there was no more application to approve because the applicant was already dead and no insurance company would issue an insurance policy to a dead person.[18] (Emphases ours.)

The RTC, in the end, explained that:

While the court truly empathizes with the [Violeta] for the loss of her husband, it cannot express the same by interpreting the insurance agreement in her favor where there is no need for such interpretation. It is conceded that [Eulogio's] payment of overdue premiums and interest was received by [Insular Life] through its agent Ms. Malaluan. It is also true that [the] application for reinstatement was filed by [Eulogio] a day before his death. However, there is nothing that would justify a conclusion that such receipt amounted to an automatic reinstatement of the policy that has already lapsed. The evidence suggests clearly that no such automatic renewal was contemplated in the contract between [Eulogio] and [Insular Life]. Neither was it shown that Ms. Malaluan was the officer authorized to approve the application for reinstatement and that her receipt of the documents submitted by [Eulogio] amounted to its approval.[19] (Emphasis ours.)

The fallo of the RTC Decision thus reads:

WHEREFORE, all the foregoing premises considered and finding that [Violeta] has failed to establish by preponderance of evidence her cause of action against the defendant, let this case be, as it is hereby DISMISSED.[20]

On 14 September 2007, Violeta filed a Motion for Reconsideration[21] of the afore-mentioned RTC Decision. Insular Life opposed[22] the said motion, averring that the arguments raised therein were merely a rehash of the issues already considered and addressed by the RTC. In an Order[23] dated 8 November 2007, the RTC denied Violeta's Motion for Reconsideration, finding no cogent and compelling reason to disturb its earlier findings. Per the Registry Return Receipt on record, the 8 November 2007 Order of the RTC was received by Violeta on 3 December 2007.

In the interim, on 22 November 2007, Violeta filed with the RTC a Reply[24] to the Motion for Reconsideration, wherein she reiterated the prayer in her Motion for Reconsideration for the setting aside of the Decision dated 30 August 2007. Despite already receiving on 3 December 2007, a copy of the RTC Order dated 8 November 2007, which denied her Motion for Reconsideration, Violeta still filed with the RTC, on 26 February 2008, a Reply Extended Discussion elaborating on the arguments she had previously made in her Motion for Reconsideration and Reply.

On 10 April 2008, the RTC issued an Order,[25] declaring that the Decision dated 30 August 2007 in Civil Case No. 2177 had already attained finality in view of Violeta's failure to file the appropriate notice of appeal within the reglementary period. Thus, any further discussions on the issues raised by Violeta in her Reply and Reply Extended Discussion would be moot and academic.

Violeta filed with the RTC, on 20 May 2008, a Notice of Appeal with Motion,[26] praying that the Order dated 10 April 2008 be set aside and that she be allowed to file an appeal with the Court of Appeals.

In an Order^[27] dated 3 July 2008, the RTC denied Violeta's Notice of Appeal with Motion given that the Decision dated 30 August 2007 had long since attained finality.

Violeta directly elevated her case to this Court via the instant Petition for Review on Certiorari, raising the following issues for consideration:

- Whether or not the Decision of the court a quo dated August 30, 2007, can still be reviewed despite having allegedly attained finality and despite the fact that the mode of appeal that has been availed of by Violeta is erroneous?
- Whether or not the Regional Trial Court in its original jurisdiction has decided the case on a question of law not in accord with law and applicable decisions of the Supreme Court?

Violeta insists that her former counsel committed an honest mistake in filing a Reply, instead of a Notice of Appeal of the RTC Decision dated 30 August 2007; and in the computation of the reglementary period for appealing the said judgment. Violeta claims that her former counsel suffered from poor health, which rapidly deteriorated from the first week of July 2008 until the latter's death just shortly after the filing of the instant Petition on 8 August 2008. In light of these circumstances, Violeta entreats this Court to admit and give due course to her appeal even if the same was filed out of time.

Violeta further posits that the Court should address the question of law arising in this case involving the interpretation of the second sentence of Section 19 of the Insurance Code, which provides:

Section. 19. x x x [I]nterest in the life or health of a person insured must exist when the insurance takes effect, but need not exist thereafter or when the loss occurs.

On the basis thereof, Violeta argues that Eulogio still had insurable interest in his own life when he reinstated Policy No. 9011992 just before he passed away on 17 September 1998. The RTC should have construed the provisions of the Policy Contract and Application for Reinstatement in favor of the insured Eulogio and against the insurer Insular Life, and considered the special circumstances of the case, to rule that Eulogio had complied with the requisites for the reinstatement of Policy No. 9011992 prior to his death, and that Violeta is entitled to claim the proceeds of said policy as the primary beneficiary thereof.

The Petition lacks merit.

At the outset, the Court notes that the elevation of the case to us via the instant Petition for Review on Certiorari is not justified. Rule 41, Section 1 of the Rules of Court,^[28] provides that no appeal may be taken from an order disallowing or dismissing an appeal. In such a case, the aggrieved party may file a Petition for Certiorari under Rule 65 of the Rules of Court.^[29]

Furthermore, the RTC Decision dated 30 August 2007, assailed in this Petition, had long become final and executory. Violeta filed a Motion for Reconsideration thereof, but the RTC denied the same in an Order dated 8 November 2007. The records of the case reveal that Violeta received a copy of the 8 November 2007 Order on 3 December 2007. Thus, Violeta had 15 days^[30] from said date of receipt, or until 18 December 2007, to file a Notice of Appeal. Violeta filed a Notice of Appeal only on 20 May 2008, more than five months after receipt of the RTC Order dated 8 November 2007 denying her Motion for Reconsideration.

Violeta's claim that her former counsel's failure to file the proper remedy within the reglementary period was an honest mistake, attributable to the latter's deteriorating health, is unpersuasive.

Violeta merely made a general averment of her former counsel's poor health, lacking relevant details and supporting evidence. By Violeta's own admission, her former counsel's health rapidly deteriorated only by the first

week of July 2008. The events pertinent to Violeta's Notice of Appeal took place months before July 2008, i.e., a copy of the RTC Order dated 8 November 2007, denying Violeta's Motion for Reconsideration of the Decision dated 30 August 2007, was received on 3 December 2007; and Violeta's Notice of Appeal was filed on 20 May 2008. There is utter lack of proof to show that Violeta's former counsel was already suffering from ill health during these times; or that the illness of Violeta's former counsel would have affected his judgment and competence as a lawyer.

Moreover, the failure of her former counsel to file a Notice of Appeal within the reglementary period binds Violeta, which failure the latter cannot now disown on the basis of her bare allegation and self-serving pronouncement that the former was ill. A client is bound by his counsel's mistakes and negligence.[31]

The Court, therefore, finds no reversible error on the part of the RTC in denying Violeta's Notice of Appeal for being filed beyond the reglementary period. Without an appeal having been timely filed, the RTC Decision dated 30 August 2007 in Civil Case No. 2177 already became final and executory.

A judgment becomes "final and executory" by operation of law. Finality becomes a fact when the reglementary period to appeal lapses and no appeal is perfected within such period. As a consequence, no court (not even this Court) can exercise appellate jurisdiction to review a case or modify a decision that has become final.[32] When a final judgment is executory, it becomes immutable and unalterable. It may no longer be modified in any respect either by the court, which rendered it or even by this Court. The doctrine is founded on considerations of public policy and sound practice that, at the risk of occasional errors, judgments must become final at some definite point in time.[33]

The only recognized exceptions to the doctrine of immutability and unalterability are the correction of clerical errors, the so-called nunc pro tunc entries, which cause no prejudice to any party, and void judgments.[34] The instant case does not fall under any of these exceptions.

Even if the Court ignores the procedural lapses committed herein, and proceeds to resolve the substantive issues raised, the Petition must still fail.

Violeta makes it appear that her present Petition involves a question of law, particularly, whether Eulogio had an existing insurable interest in his own life until the day of his death.

An insurable interest is one of the most basic and essential requirements in an insurance contract. In general, an insurable interest is that interest which a person is deemed to have in the subject matter insured, where he has a relation or connection with or concern in it, such that the person will derive pecuniary benefit or advantage from the preservation of the subject matter insured and will suffer pecuniary loss or damage from its destruction, termination, or injury by the happening of the event insured against.[35] The existence of an insurable interest gives a person the legal right to insure the subject matter of the policy of insurance.[36] Section 10 of the Insurance Code indeed provides that every person has an insurable interest in his own life.[37] Section 19 of the same code also states that an interest in the life or health of a person insured must exist when the insurance takes effect, but need not exist thereafter or when the loss occurs.[38]

Upon more extensive study of the Petition, it becomes evident that the matter of insurable interest is entirely irrelevant in the case at bar. It is actually beyond question that while Eulogio was still alive, he had an insurable interest in his own life, which he did insure under Policy No. 9011992. The real point of contention herein is whether Eulogio was able to reinstate the lapsed insurance policy on his life before his death on 17 September 1998.

The Court rules in the negative.

Before proceeding, the Court must correct the erroneous declaration of the RTC in its 30 August 2007 Decision that Policy No. 9011992 lapsed because of Eulogio's non-payment of the premiums which became due on 24 April 1998 and 24 July 1998. Policy No. 9011992 had lapsed and become void earlier, on 24 February 1998, upon the expiration of the 31-day grace period for payment of the premium, which fell due on 24 January 1998, without any payment having been made.

That Policy No. 9011992 had already lapsed is a fact beyond dispute. Eulogio's filing of his first Application for Reinstatement with Insular Life, through Malaluan, on 26 May 1998, constitutes an admission that Policy No. 9011992 had lapsed by then. Insular Life did not act on Eulogio's first Application for Reinstatement, since the amount Eulogio simultaneously deposited was sufficient to cover only the P8,062.00 overdue premium for 24 January 1998, but not the P322.48 overdue interests thereon. On 17 September 1998, Eulogio submitted a second Application for Reinstatement to Insular Life, again through Malaluan, depositing at the same time P17,500.00, to cover payment for the overdue interest on the premium for 24 January 1998, and the premiums that had also become due on 24 April 1998 and 24 July 1998. On the very same day, Eulogio passed away.

To reinstate a policy means to restore the same to premium-paying status after it has been permitted to lapse.[39] Both the Policy Contract and the Application for Reinstatement provide for specific conditions for the reinstatement of a lapsed policy.

The Policy Contract between Eulogio and Insular Life identified the following conditions for reinstatement should the policy lapse:

10. REINSTATEMENT

You may reinstate this policy at any time within three years after it lapsed if the following conditions are met: (1) the policy has not been surrendered for its cash value or the period of extension as a term insurance has not expired; (2) evidence of insurability satisfactory to [Insular Life] is furnished; (3) overdue premiums are paid with compound interest at a rate not exceeding that which would have been applicable to said premium and indebtedness in the policy years prior to reinstatement; and (4) indebtedness which existed at the time of lapsation is paid or renewed.[40]

Additional conditions for reinstatement of a lapsed policy were stated in the Application for Reinstatement which Eulogio signed and submitted, to wit:

I/We agree that said Policy shall not be considered reinstated until this application is approved by the Company during my/our lifetime and good health and until all other Company requirements for the reinstatement of said Policy are fully satisfied.

I/We further agree that any payment made or to be made in connection with this application shall be considered as deposit only and shall not bind the Company until this application is finally approved by the Company during my/our lifetime and good health. If this application is disapproved, I/We also agree to accept the refund of all payments made in connection herewith, without interest, and to surrender the receipts for such payment.[41] (Emphases ours.)

In the instant case, Eulogio's death rendered impossible full compliance with the conditions for reinstatement of Policy No. 9011992. True, Eulogio, before his death, managed to file his Application for Reinstatement and deposit the amount for payment of his overdue premiums and interests thereon with Malaluan; but Policy No. 9011992 could only be considered reinstated after the Application for Reinstatement had been processed and approved by Insular Life during Eulogio's lifetime and good health.

Relevant herein is the following pronouncement of the Court in *Andres v. The Crown Life Insurance Company*,[42] citing *McGuire v. The Manufacturer's Life Insurance Co.*[43]:

"The stipulation in a life insurance policy giving the insured the privilege to reinstate it upon written application does not give the insured absolute right to such reinstatement by the mere filing of an application. The insurer has the right to deny the reinstatement if it is not satisfied as to the insurability of the insured and if the latter does not pay all overdue premium and all other indebtedness to the insurer. After the death of the insured the insurance Company cannot be compelled to entertain an application for reinstatement of the policy because the conditions precedent to reinstatement can no longer be determined and satisfied." (Emphases ours.)

It does not matter that when he died, Eulogio's Application for Reinstatement and deposits for the overdue premiums and interests were already with Malaluan. Insular Life, through the Policy Contract, expressly limits the power or authority of its insurance agents, thus:

Our agents have no authority to make or modify this contract, to extend the time limit for payment of premiums, to waive any lapsation, forfeiture or any of our rights or requirements, such powers being limited to our president, vice-president or persons authorized by the Board of Trustees and only in writing.[44] (Emphasis ours.)

Malaluan did not have the authority to approve Eulogio's Application for Reinstatement. Malaluan still had to turn over to Insular Life Eulogio's Application for Reinstatement and accompanying deposits, for processing and approval by the latter.

The Court agrees with the RTC that the conditions for reinstatement under the Policy Contract and Application for Reinstatement were written in clear and simple language, which could not admit of any meaning or interpretation other than those that they so obviously embody. A construction in favor of the insured is not called for, as there is no ambiguity in the said provisions in the first place. The words thereof are clear, unequivocal, and simple enough so as to preclude any mistake in the appreciation of the same.

Violeta did not adduce any evidence that Eulogio might have failed to fully understand the import and meaning of the provisions of his Policy Contract and/or Application for Reinstatement, both of which he voluntarily signed. While it is a cardinal principle of insurance law that a policy or contract of insurance is to be construed liberally in favor of the insured and strictly as against the insurer company, yet, contracts of insurance, like other contracts, are to be construed according to the sense and meaning of the terms, which the parties themselves have used. If such terms are clear and unambiguous, they must be taken and understood in their plain, ordinary and popular sense.[45]

Eulogio's death, just hours after filing his Application for Reinstatement and depositing his payment for overdue premiums and interests with Malaluan, does not constitute a special circumstance that can persuade this Court to already consider Policy No. 9011992 reinstated. Said circumstance cannot override the clear and express provisions of the Policy Contract and Application for Reinstatement, and operate to remove the prerogative of Insular Life thereunder to approve or disapprove the Application for Reinstatement. Even though the Court commiserates with Violeta, as the tragic and fateful turn of events leaves her practically empty-handed, the Court cannot arbitrarily burden Insular Life with the payment of proceeds on a lapsed insurance policy. Justice and fairness must equally apply to all parties to a case. Courts are not permitted to make contracts for the parties. The function and duty of the courts consist simply in enforcing and carrying out the contracts actually made.[46]

Policy No. 9011992 remained lapsed and void, not having been reinstated in accordance with the Policy Contract and Application for Reinstatement before Eulogio's death. Violeta, therefore, cannot claim any death benefits from Insular Life on the basis of Policy No. 9011992; but she is entitled to receive the full refund of the payments made by Eulogio thereon.

WHEREFORE, premises considered, the Court DENIES the instant Petition for Review on Certiorari under Rule 45 of the Rules of Court. The Court AFFIRMS the Orders dated 10 April 2008 and 3 July 2008 of the RTC of Gapan City, Branch 34, in Civil Case No. 2177, denying petitioner Violeta R. Lalican's Notice of Appeal, on the ground that the Decision dated 30 August 2007 subject thereof, was already final and executory. No costs.

SO ORDERED.

Carpio Morales,[*] Velasco, Jr., Nachura, and Peralta, JJ., concur.
Chico-Nazario,** J., Acting Chairperson,

[*] Per Special Order No. 679 dated 3 August 2009, signed by Chief Justice Reynato S. Puno, designating Associate Justice Conchita Carpio Morales to replace Associate Justice Consuelo Ynares-Santiago, who is on official leave.

** Per Special Order No. 681 dated 3 August 2009, signed by Chief Justice Reynato S. Puno, designating Associate Justice Minita V. Chico-Nazario as Acting Chairperson to replace Associate Justice Consuelo Ynares-Santiago, who is on official leave.

[1] Rollo, pp. 22-35.

[2] Penned by Judge Celso O. Baguio; rollo, pp. 7-15.

[3] Rollo, pp. 16-17.

[4] Id. at 18-19. The date of promulgation of the assailed second Order was erroneously stated in the Petition as 9 July 2008.

[5] Records, Folder 1, p. 57.

[6] An endowment policy is one under the terms of which the insurer binds himself to pay a fixed sum to the insured if the latter survives for a specified period (maturity date stated in the policy), or, if he dies within such period, to some other person indicated. (De Leon, *The Insurance Code of the Philippines Annotated* [2002 ed.], p. 438). Under Section 180 of the Insurance Code, endowment contracts shall be considered life insurance contracts for purposes of said code.

[7] A rider is a printed or typed stipulation contained on a slip of paper attached to the policy and forming an integral part thereof. (De Leon, *THE INSURANCE CODE OF THE PHILIPPINES ANNOTATED* [2002 ed.], p. 186).

[8] Records, Folder 1, p. 44.

[9] Id. at 58.

[10] Id. at 60.

[11] Id. at 59.

[12] Id. at 61-63.

[13] Id. at 67-68.

[14] Id. at 8-10.

[15] Rollo, pp. 42-46.

[16] Id. at 82-88.

[17] Id. at 73.

[18] Id. at 74-76.

[19] Id. at 76.

[20] Id.

[21] Records, Folder 2, pp. 388-392.

[22] Id. at 394-400.

[23] Id. at 401-402.

[24] Id. at 403-405.

[25] Rollo, pp. 16-17.

[26] Id. at 38-39.

[27] Id. at 18-19.

[28] As amended by A.M. No. 07-7-12, effective 4 December 2007.

[29] Section 1(c), Rule 41 of the Rules of Court, as amended, provides:

SECTION 1. Subject of appeal. - An appeal may be taken from a judgment or final order that completely disposes of the case, or of a particular matter therein when declared by these Rules to be appealable.

No appeal may be taken from:

x x x x

(c) An order disallowing or dismissing an appeal;

[30] *Neypes v. Court of Appeals*, G.R. No. 141524, 14 September 2005, 469 SCRA 633, 639.

[31] *Casolita, Sr. v. Court of Appeals*, 341 Phil. 251, 259 (1997).

[32] *Social Security System v. Isip*, G.R. No. 165417, 3 April 2007, 520 SCRA 310, 314-315.

[33] Id. at 315.

[34] Id.

[35] See 44 C.J.S. 870, cited in De Leon, *THE INSURANCE CODE OF THE PHILIPPINES ANNOTATED* (2002 ed.), p. 85.

[36] De Leon, *THE INSURANCE CODE OF THE PHILIPPINES ANNOTATED* (2002 ed.), p. 86.

[37] Sec. 10. Every person has an insurable interest in the life and health:

(a) Of himself, of his spouse and of his children; (Emphasis ours.)

[38] Sec. 19. An interest in property insured must exist when the insurance takes effect, and when the loss occurs, but not exist in the meantime; and interest in the life or health of a person insured must exist when the insurance takes effect, but need not exist thereafter or when the loss occurs. (Emphasis ours.)

[39] De Leon, THE INSURANCE CODE OF THE PHILIPPINES ANNOTATED (2002 ed.), p. 538.

[40] Records, Folder 1, pp. 45-46.

[41] Id. at 58.

[42] 102 Phil. 919, 925 (1958).

[43] 87 Phil 370, 373 (1950).

[44] Records, Folder 1, p. 44.

[45] Pacific Banking Corporation, v. Court of Appeals, G.R. No. L-41014, 28 November 1988, 168 SCRA 1, 13.

[46] Union Manufacturing, Co., Inc. v. Phil. Guaranty Co., Inc., 150-C Phil. 69, 73 (1972).

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