

FIRST QUEZON CITY INSURANCE COMPANY, INC., PETITIONER, VS. THE HON. COURT OF APPEALS AND DE DIOS MARIKINA TRANSPORTATION CO., RESPONDENTS.

G.R. No. 98414. February 08, 1993

Ponente: GRIÑO-AQUINO, J.

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GRIÑO-AQUINO, J.:

Before the Court is a petition filed by the First Quezon City Insurance Company, Inc., seeking to limit to P12,000.00, the amount specified in the insurance contract, its liability to indemnify the respondent, De Dios Marikina Transportation Company (DMTC, for short), for the damages suffered by a passenger, Jose V. del Rosario, who accidentally fell off the bus.

The undisputed facts are:

"On June 10, 1984, at about 3:00 p.m., after sending off certain seamen at the departure area of then known as Manila International Airport (MIA), Plaintiff Jose V. del Rosario proceeded to the loading and unloading zone for public utility bus stop, which was located in front of the MIA, to wait for a passenger bus bound for Quezon City. While at the bus stop, the plaintiff saw a DMTC bus bearing body No. 236 and plate No. NVU-798 and which, per its signboard, was plying the Pasay to Quezon City (passing España) route. As it approach the bus stop, the bus slowed down with all its doors wide open: while moving at a crawling pace, i.e., as slow as an 'ordinary walk,' it was taking several passengers, about five or seven of them including the plaintiff, all of whom managed to board the bus while it was already at the bus stop; plaintiff was the last one to board the bus.

"While the plaintiff was still on the bus' running board with his hand on the bus door's handle bar, the slowly moving bus sped forward at a high speed, as a result of which, the plaintiff lost his balance and fell from the bus. As plaintiff clung instinctively to the handle bar, he was dragged by the bus along the asphalted road for about two (2) seconds. Plaintiff screamed of pain and anguished even as the other passengers shouted and the bus' driver, Gil Agpalo, an employee of defendant and third-party plaintiff DMTC, abruptly stopped the bus. Then, Gil forth-with fled from the scene, leaving the bus and the injured plaintiff behind.

"Thereafter, the plaintiff was brought to the Manila Sanitarium and Hospital where he was given immediate medical treatment at the emergency ward. The doctors performed a major surgical operation on plaintiff's right leg. This leg was extensively lacerated: its skin and tissues were exposed and detached from the muscles. Treatment was done under special anesthesia and consisted of debridement or cleaning repair and suturing of the injured tissue. While at the hospital, plaintiff was febrile or feverish for about forty (40) days. On July 12, 1984, a second major surgical operation, i.e., a skin grafting operation, was performed on plaintiff's right leg.

"Plaintiff was confined at the hospital for a total period of forty (40) days, from June 10, 1984 to August 26, 1984. During his stay at the hospital, plaintiff incurred medical expenses in the total amount of P69,444.41. Plaintiff's medical expenses were advanced by his employer Maglines but he was required to reimburse Maglines on a staggered basis by way of salary deductions. Plaintiff was released from the hospital on August 29, 1984. After his release, he returned to the hospital from time to time for further treatment and checkup. The

injuries had left plaintiff with a huge, ugly scar running almost the entire length of his right leg. Also, the plaintiff incurred lost earning by way of unearned salaries amounting to P7,500.00 due to said physical injuries and the consequent hospital confinement.

"Plaintiff filed on June 26, 1985 the aforesaid complaint against DMTC and its driver, Gil Agpalo. Agpalo was later dropped as a party defendant because he could not be served with summons. Upon filing its answer on August 20, 1985, defendant DMTC filed a third-party complaint against First Quezon City Insurance Co. Inc. Sometime on September 17, 1985 this third-party defendant filed its answer to the third-party complaint.

"After the trial, the court a quo rendered the appealed decision, the decretal portion of which or-dains:

"**"WHEREFORE**, the judgment is hereby rendered dis-missing defendant De Dios Marikina Transportation Co. Inc.'s counterclaim for lack of merit and ordering said defendant to pay plaintiff Jose V. del Rosario: (a) the sum of P76,944.91, as the actual and compensatory damages; (b) the sum of P15,000.00, as moral and exemplary damages; and (c) the sum of P33,641.50 as attor-ney's fees, as well as to pay the cost of suit; and as regards the third-party complaint herein ordering third-party defendant First Quezon City Insurance Co., Inc. to indemnify third-party plaintiff De Dios Marikina Transportation Co., Inc. in the sum of P12,000.00 with interest thereon at the legal rate from date of filing of the third-party complaint on August 20, 1985, until full payment thereof. Further, there being no satisfacto-ry warrant therefor, the court hereby dismisses the rest of the claims in the complaint and third-party complaint herein." (pp. 11-13, Rollo.)

The bus company appealed to the Court of Appeals on February 11, 1991. The Court of Appeals modified the dispositive part of the decision of the trial court as follows:

"**"WHEREFORE**, with the following modifications, first in appellee's complaint: that the award of attor-ney's fees be reduced to P5,000.00 and that the cost of suit be deleted; and second, as regards the third-party complaint, that the third-party defendant First Quezon City Insurance Co. Inc., be ordered to indemnify third-party plaintiff DMTC, herein appellant, the sum of P50,000.00 with legal interest thereon from date of filing of the third-party complaint on August 20, 1985 until its full payment, the decision appealed from is **AFFIRMED** in all other respects. No costs." (p. 19, Rollo.)

The insurance company (now the petitioner) filed a motion for reconsideration which was denied in a resolution dated April 22, 1991.

Hence, this petition for review, assailing the appellate courts' interpretation of the provision of the insurance contract on the limit of the insurer's liabil-ity.

We find merit in the petition.

The insurance policy clearly placed the maximum limit of the petitioner's liability for damages arising from death or bodily injury at P12,000.00 per passenger and its maximum liability per accident at P50,000.00. Since only one passenger was injured in the accident, the insurer's liability for the damages suffered by said passenger is pegged to the amount of P12,000.00 only. What does the limit of P50,000.00 per accident mean? It means that the insurer's maximum liability for any single accident will not exceed P50,000.00 regard-less of the number of passengers killed or injured therein. For example, if ten (10) passengers had been injured by the operation of the insured bus, the insur-er's liability for the accident would not be P120,000.00 (at the rate of P12,000.00 per passenger) but would be limited to only P50,000.00 for the entire accident, as provided in the insurance contract.

The bus company may not recover from the insurance company (herein petitioner) more than P12,000.00 per passenger killed or injured, or fifty thousand (P50,000.00) pesos per accident even if under the judgment of the court, the erring bus operator will have to pay more than P12,000.00 to each injured passenger. The trial court's

interpretation of the insurance contract was the correct interpretation.

WHEREFORE, the petition for review is GRANTED. The decision promulgated on February 11, 1991 by the Court of Appeals in CA-G.R. No. 24938, ordering the third-party defendant, First Quezon City Insurance Co., Inc., to indemnify the private respondent, De Dios Marikina Transportation Co. Inc. (DMTC), the sum of P50,000.00 for the damages of the passenger, Jose V. Del Rosario, is hereby modified by reducing the award to P12,000.00 only. Costs against the private respondent, De Dios Marikina Transportation Co., Inc.

SO ORDERED.

Cruz, (Chairman), Padilla, and Bellosillo, JJ., concur.

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