

## SECOND DIVISION

[ G.R. No. 244361, July 13, 2020 ]

**THE HEIRS OF REYNALDO A. ANDAG, NAMELY VENERANDA B. ANDAG, JAYMARI B. ANDAG, HONEY GRACE B. ANDAG AND KIM PHILIP B. ANDAG, REPRESENTED BY THEIR ATTORNEY-IN-FACT, VENERANDA B. ANDAG, PETITIONERS, VS. DMC CONSTRUCTION EQUIPMENT RESOURCES INC., JORGE A. CONSUNJI, PRESIDENT, AND AGUSTINE B. GONZALEZ, AREA MANAGER, RESPONDENTS.**

### RESOLUTION

**PERLAS-BERNABE, J.:**

Assailed in this petition for review on *certiorari*<sup>[1]</sup> are the Decision<sup>[2]</sup> dated February 28, 2018 and the Resolution<sup>[3]</sup> dated December 12, 2018 of the Court of Appeals (CA) in CA-G.R. CEB-SP No. 10946 which upheld the Decision<sup>[4]</sup> dated January 30, 2017 and the Resolution<sup>[5]</sup> dated March 23, 2017 of the National Labor Relations Commission (NLRC) in NLRC Case No. VAC-01-000024-2017 which held, *inter alia*, that: (a) petitioners Heirs of Reynaldo A. Andag (Reynaldo), namely Veneranda B. Andag, Jaymark B. Andag, Honey Grace B. Andag, *et al/s* (petitioners) claim for damages against respondent DMC Construction Equipment Resources, Inc. (DMCI) is a claim based on torts which is cognizable by the regular courts; and (b) petitioners are not entitled to the monetary reliefs sought.

#### The Facts

Petitioners alleged that on July 16, 2012, respondent DMC Construction Equipment Resources Inc. (DMCI) employed Reynaldo as Second Mate on its tugboat, the MIT Alexander Paul. On October 18, 2013, as the tugboat was towing an overloaded barge, a recoiling rope accidentally struck Reynaldo causing him to be thrown towards the ship's iron bars. Reynaldo was rushed to the hospital where he was pronounced dead on arrival. Months after, DMCI contacted petitioners and told them that it would give them the amount of P200,000.00 as compensation for Reynaldo's death under the condition that they would execute a waiver and quitclaim in its favor. After refusing the offer, petitioners no longer heard from DMCI, prompting them to send a formal demand letter, which the latter ignored.<sup>[6]</sup> Thus, they were constrained to file the instant complaint against respondent before the National Labor Relations Commission (NLRC), Regional Arbitration Branch No. VI of Iloilo City seeking, *inter alia*, the payment of: (a) death compensation/benefits; (b) actual damages, moral damages, exemplary damages, and attorney's fees for the latter's alleged negligence resulting in the death of Reynaldo; and (c) other monetary claims due to Reynaldo, *e.g.*, holiday pay, service incentive leave pay, and 13<sup>th</sup> month pay.<sup>[7]</sup>

In its defense, DMCI maintained that: (a) petitioners should recover death benefits

not from it as Reynaldo's employer, but from the State Insurance Fund, *i.e.*, the Social Security System (SSS); (b) the amount of P200,000.00 it offered to petitioners represents the proceeds of the accidental death insurance policy it voluntarily secured in favor of its employees which the latter, unfortunately, refused to accept; and (c) it had already paid Reynaldo's monetary benefits as evidenced by various documents such as the latter's payslips.<sup>[8]</sup>

### **The LA Ruling**

In a Decision<sup>[9]</sup> dated September 28, 2016, the Labor Arbiter (LA) dismissed the complaint for lack of cause of action.<sup>[10]</sup> The LA agreed with DMCI that petitioners' claim for death benefits should have been made before the State Insurance Fund. It also pointed out that petitioners failed to present evidence of DMCI's liability for Reynaldo's death.<sup>[11]</sup> Further, it denied their claim for moral and exemplary damages for lack of merit.<sup>[12]</sup> Finally, the LA found that DMCI had already paid all the wages and monetary benefits due to Reynaldo.<sup>[13]</sup>

Aggrieved, petitioners appealed to the NLRC.

### **The NLRC Ruling**

In a Decision<sup>[14]</sup> dated January 30, 2017, the NLRC affirmed the LA ruling with modification, ordering DMCI to turn over to petitioners the P200,000.00 accidental death insurance proceeds without any condition.<sup>[15]</sup> It ruled that: ***first***, as to the death benefits, since it was shown that Reynaldo was an inter-island seaman, *i.e.*, working within Philippine waters, and in the absence of any contractual provision showing that DMCI is liable for death benefits, petitioners should seek payment of such death benefits not from DMCI, but from the State Insurance Fund, particularly the SSS.<sup>[16]</sup> ***Second***, as for the claim of damages arising from DMCI's alleged negligence resulting in the death of Reynaldo, the NLRC held that the Labor Tribunals have no jurisdiction to hear this cause of action, as it is a claim based on torts which is cognizable by the regular courts.<sup>[17]</sup> ***Third***, as for the additional death insurance proceeds, the same should be released to petitioners without any condition considering that the same had already been released to DMCI, albeit the latter was unable to turn-over the same to petitioners because it unduly conditioned it on petitioners signing a waiver and quitclaim.<sup>[18]</sup> Finally, while the NLRC was silent as to petitioners' other monetary claims due to Reynaldo, the ruling implied that it was upholding the LA's findings on this regard, *i.e.*, that the same had already been paid by DMCI.

Dissatisfied, petitioners moved for partial reconsideration<sup>[19]</sup> but were denied in a Resolution<sup>[20]</sup> dated March 23, 2017. Hence, they filed a petition for *certiorari*<sup>[21]</sup> before the CA, principally assailing the NLRC's findings that: (a) petitioners' claim for damages against DMCI is a claim based on torts which is cognizable by the regular courts; and (b) petitioners are not entitled to the monetary reliefs sought.

### **The CA Ruling**

In a Decision<sup>[22]</sup> dated February 28, 2018, the CA upheld the assailed NLRC rulings.

It held that the NLRC did not gravely abuse its discretion in holding that: (a) petitioners' claim for damages against DMCI is a claim based on torts which is cognizable by the regular courts; and (b) petitioners are not entitled to the monetary reliefs sought as it was shown that DMCI had already paid the same.<sup>[23]</sup>

Undaunted, petitioners moved for reconsideration which the CA denied in a Resolution<sup>[24]</sup> dated December 12, 2018. Hence, this petition.<sup>[25]</sup>

### **The Issue Before the Court**

The issue for the Court's resolution is whether or not the CA correctly ruled that the NLRC did not gravely abuse its discretion in issuing its assailed rulings.

### **The Court's Ruling**

The petition is without merit.

"Preliminarily, the Court stresses the distinct approach in reviewing a CA's ruling in a labor case. In a Rule 45 review, the Court examines the correctness of the CA's Decision in contrast with the review of jurisdictional errors under Rule 65. Furthermore, Rule 45 limits the review to questions of law. In ruling for legal correctness, the Court views the CA Decision in the same context that the petition for *certiorari* was presented to the CA. Hence, the Court has to examine the CA's Decision from the prism of whether the CA correctly determined the presence or absence of grave abuse of discretion in the NLRC decision."<sup>[26]</sup>

"Case law states that grave abuse of discretion connotes a capricious and whimsical exercise of judgment, done in a despotic manner by reason of passion or personal hostility, the character of which being so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined by or to act at all in contemplation of law."<sup>[27]</sup>

"In labor cases, grave abuse of discretion may be ascribed to the NLRC when its findings and conclusions are not supported by substantial evidence, which refers to that amount of relevant evidence that a reasonable mind might accept as adequate to justify a conclusion. Thus, if the NLRC's ruling has basis in the evidence and the applicable law and jurisprudence, then no grave abuse of discretion exists and the CA should so declare and, accordingly, dismiss the petition."<sup>[28]</sup>

Guided by the foregoing considerations, the Court finds that the CA correctly found no grave abuse of discretion on the part of the NLRC in issuing its assailed rulings, as the same is in accord with the evidence on record, as well as settled principles of labor law.

At this juncture, the Court deems it worthy to point out that petitioners seek the following: (a) death compensation/benefits for Reynaldo; (b) damages arising from DMCI's purported negligence which resulted in Reynaldo's death; (c) additional death benefits; and (d) other monetary claims due to Reynaldo, e.g., holiday pay, service incentive leave pay, and 13<sup>th</sup> month pay.