

THIRD DIVISION

[G.R. No. 173773, November 28, 2012]

**PARAMOUNT INSURANCE CORPORATION, PETITIONER, VS.
SPOUSES YVES AND MARIA TERESA REMONDEULAZ,
RESPONDENTS.**

D E C I S I O N

PERALTA, J.:

Before us is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court seeking the reversal and setting aside of the Decision^[1] dated April 12, 2005 and Resolution^[2] dated July 20, 2006 of the Court of Appeals in CA-G.R. CV No. 61490.

The undisputed facts follow.

On May 26, 1994, respondents insured with petitioner their 1994 Toyota Corolla sedan under a comprehensive motor vehicle insurance policy for one year.

During the effectivity of said insurance, respondents' car was unlawfully taken. Hence, they immediately reported the theft to the Traffic Management Command of the PNP who made them accomplish a complaint sheet. In said complaint sheet, respondents alleged that a certain Ricardo Sales (*Sales*) took possession of the subject vehicle to add accessories and improvements thereon, however, Sales failed to return the subject vehicle within the agreed three-day period.

As a result, respondents notified petitioner to claim for the reimbursement of their lost vehicle. However, petitioner refused to pay.

Accordingly, respondents lodged a complaint for a sum of money against petitioner before the Regional Trial Court of Makati City (*trial court*) praying for the payment of the insured value of their car plus damages on April 21, 1995.

After presentation of respondents' evidence, petitioner filed a Demurrer to Evidence.

Acting thereon, the trial court dismissed the complaint filed by respondents. The full text of said Order^[3] reads:

Before the Court is an action filed by the plaintiffs, spouses Yves and Maria Teresa Remondeulaz against the defendant, Paramount Insurance Corporation, to recover from the defendant the insured value of [the] motor vehicle.

It appears that on 26 May 1994, plaintiffs insured their vehicle, a 1994 Toyota Corolla XL with chassis number EE-100-9524505, with defendant

under Private Car Policy No. PC-37396 for Own Damage, Theft, Third-Party Property Damage and Third-Party Personal Injury, for the period commencing 26 May 1994 to 26 May 1995. Then on 1 December 1994, defendants received from plaintiff a demand letter asking for the payment of the proceeds in the amount of PhP409,000.00 under their policy. They alleged the loss of the vehicle and claimed the same to be covered by the policy's provision on "Theft." Defendant disagreed and refused to pay.

It appears, however, that plaintiff had successfully prosecuted and had been awarded the amount claimed in this action, in another action (Civil Case No. 95-1524 entitled Sps. Yves and Maria Teresa Remondeulaz versus Standard Insurance Company, Inc.), which involved the loss of the same vehicle under the same circumstances although under a different policy and insurance company. This, considered with the principle that an insured may not recover more than its interest in any property subject of an insurance, leads the court to dismiss this action.

SO ORDERED.^[4]

Not in conformity with the trial court's Order, respondents interposed an appeal to the Court of Appeals (*appellate court*).

In its Decision dated April 12, 2005, the appellate court reversed and set aside the Order issued by the trial court, to wit:

Indeed, the trial court erred when it dismissed the action on the ground of double recovery since it is clear that the subject car is different from the one insured with another insurance company, the Standard Insurance Company. In this case, defendant-appellee [herein petitioner] denied the reimbursement for the lost vehicle on the ground that the said loss could not fall within the concept of the "theft clause" under the insurance policy
x x x

x x x x

WHEREFORE, the October 7, 1998 Order of the Regional Trial Court of Makati City, Branch 63, is hereby REVERSED and SET ASIDE

x x x.

SO ORDERED.^[5]

Petitioner, thereafter, filed a motion for reconsideration against said Decision, but the same was denied by the appellate court in a Resolution dated July 20, 2006.

Consequently, petitioner filed a petition for review on *certiorari* before this Court praying that the appellate court's Decision and Resolution be reversed and set aside.