

THIRD DIVISION

[G.R. No. 111799, April 17, 2001]

STANDARD INSURANCE CO., INC., PETITIONER, VS. COURT OF APPEALS, HON. ARMIE E. ELMA, IN HIS CAPACITY AS THE PRESIDING JUDGE, OF THE RTC, NATIONAL CAPITAL JUDICIAL REGION, BR. 153, PASIG, SHERIFF OF THE RTC OF PASIG, AND ALL PERSONS ACTING FOR AND IN THEIR BEHALF, AND MA. TERESA REGATO, RESPONDENTS.

RESOLUTION

GONZAGA-REYES, J.:

The instant petition for review on certiorari originated from an action for damages arising from an unpaid insurance claim, entitled "Ma. Teresa Regato vs. Standard Insurance Co., Inc.". The case was docketed as Civil Case No. 56086 with Branch 153 of the Regional Trial Court of Pasig which was presided by herein respondent judge.

In refusing to honor the claim, petitioner set up the defenses that private respondent intentionally set fire on the properties for the purpose of recovering on the insurance policies, and that the documents submitted by private respondent in support of the claim were fraudulent.

Respondent judge upheld private respondent's claim, and the dispositive part of its decision declared:

IN VIEW OF ALL THE FOREGOING, this Court is of the firm opinion that plaintiff is rightfully entitled to claim for the proceeds of the insurances taken from the defendant corporation upon the occurrence of the loss, to the extent as found in the TACT report, and for damages suffered by her due to the contumacious and unjustified refusal of defendant to pay what were due her as an assured. Wherefore, judgment is hereby rendered in plaintiff's favor and against defendant ordering the latter to pay plaintiff the following sums of money:

- a) P497,273.00, representing the unpaid insurance claim due plaintiff, with interest at 12% from March 17, 1988 until fully paid;
- b) P50,000.00 as moral damages;
- c) P30,000.00 as exemplary damages; and
- d) Twenty (20%) percent of the total claim, as attorney's fees.

Defendant shall also pay the costs of suit.

SO ORDERED.^[1]

From the above decision, private respondent moved for execution pending appeal, which was granted by respondent judge in a Special Order dated April 7, 1992. Finding the early execution to be supported by good reasons as required by Section 2, Rule 39 of the Rules of Court, the trial court declared:

The Court has to consider the following, as found in the evidence adduced at the trial proper, to wit: a) The insurance claim of plaintiff was not fraudulent, but one filed pursuant to and under the insurance policies issued by defendant upon the occurrence of the loss. The arson case(s) filed against plaintiff, which may block the claim, aside from utter lack of evidence to support it (pp. 8 & 9, Decision), was ordered suspended by the Court of Appeals in CA G.R. SP-No. 18217 and affirmed by the Supreme Court in G.R. No. 96680 when it dismissed defendant's petition for certiorari (Ex-Parte Manifestation, p. 284, Records). Evidence was adduced that the arson case(s) were initiated when plaintiff refused to part (with) 15% of the amount of her claim check as bribe money to certain officials of defendant; b) The length of time plaintiff was not paid her claim since March 1988; c) Plaintiff has no other property to live in except the house burned and has urgent need of money to rebuild it; d) The appeal of defendant appears to be dilatory as it has no valid reason to grant plaintiff's claim except due to the arson case filed which was found to be unsupported by evidence; and e) plaintiff is willing to post a bond. The foregoing appear to this Court to be good reasons for (the) granting of plaintiff's motion, as further delay to pay her claim will further prejudice her.^[2]

The trial court required a surety bond of P300,000.00.

Petitioner sought the stay of execution with the trial court but to no avail; hence, it filed a petition for certiorari before the Court of Appeals, maintaining that the grounds relied upon by the RTC in its special order for execution pending appeal cannot be considered good reasons within the contemplation of Section 2, Rule 39 of the Rules of Court.

The Court of Appeals dismissed the petition for lack of merit. It found the questioned RTC orders to be fully substantiated by the evidence,^[3] and held that it will not interfere with the discretion exercised by the lower court in determining the existence of good reasons for execution pending appeal absent any showing of grave abuse of discretion, or that unforeseeable contingencies have occurred since the issuance of the assailed orders to justify the intervention of the appellate court to protect the interests of the parties.^[4]

The dispositive part of the decision of the Court of Appeals reads:

IN VIEW OF THE FOREGOING, the instant petition for certiorari is hereby DENIED for lack of merit. The restraining order issued by this Court on April 24, 1992 is hereby LIFTED and SET ASIDE. Costs against the petitioner.