



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

ANITA N. CANUEL, for herself  
and on behalf of her minor  
children, namely:  
CHARMAINE, CHARLENE,  
and CHARL SMITH, all  
surnamed CANUEL,  
Petitioners,

G.R. No. 190161

Present:

SERENO, C.J., Chairperson,  
LEONARDO-DE CASTRO,  
BERSAMIN,  
PEREZ, and  
PERLAS-BERNABE, JJ.

- versus -

MAGSAYSAY MARITIME  
CORPORATION, EDUARDO  
U. MANESE, and KOTANI  
SHIPMANAGEMENT  
LIMITED,

Promulgated:

OCT 13 2014

Respondents.

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DECISION

**PERLAS-BERNABE, J.:**

Assailed in this petition for review on *certiorari*<sup>1</sup> are the Decision<sup>2</sup> dated May 19, 2009 and the Resolution<sup>3</sup> dated October 30, 2009 of the Court of Appeals (CA) in CA-G.R. SP. No. 104479 which dismissed petitioners' complaint for death benefits.

**The Facts**

On July 14, 2006, Nancing R. Canuel (Nancing) was hired by respondent Magsaysay Maritime Corporation (Magsaysay) as Third Assistant Engineer for its foreign principal, respondent Kotani

<sup>1</sup> *Rollo*, pp. 8-33.

<sup>2</sup> *Id.* at 254-267. Penned by Associate Justice Ricardo R. Rosario with Associate Justices Jose L. Sabio, Jr. and Vicente S.E. Veloso, concurring.

<sup>3</sup> *Id.* at 275-276.

Shipmanagement Limited (Kotani), to be deployed on board the vessel M/V North Sea (vessel) for a period of twelve (12) months, with a basic salary of US\$640.00 a month.<sup>4</sup> He underwent the required pre-employment medical examination, and was declared fit to work by the company-designated physician.<sup>5</sup> Thereafter, he joined the vessel and commenced his work on July 19, 2006.<sup>6</sup>

On February 20, 2007, Nancing figured in an accident while in the performance of his duties on board the vessel, and, as a result, injured the right side of his body.<sup>7</sup> On March 5, 2007, he was brought to Shanghai Seamen's Hospital in Shanghai, China where he was diagnosed to have suffered "bilateral closed traumatic hemothorax."<sup>8</sup> On March 12, 2007, Nancing informed his wife, herein petitioner Anita N. Canuel (Anita), about the accident and his confinement.<sup>9</sup> On March 24, 2007, he was medically repatriated and immediately admitted to the Manila Doctor's Hospital under the care of a team of medical doctors led by Dr. Benigno A. Agbayani, Jr., Magsaysay's Medical Coordinator.<sup>10</sup> Due to his worsening condition, Nancing was placed at the hospital's intensive care unit on April 8, 2007.<sup>11</sup> He eventually died on April 25, 2007.<sup>12</sup> Nancing's death certificate<sup>13</sup> indicated the immediate cause of his death as acute respiratory failure, with lung metastasis and r/o bone cancer as antecedent cause and underlying cause, respectively.

On May 23, 2007, Nancing's widow, Anita, for herself and on behalf of their children, Charmaine, Charlene, and Charl Smith, all surnamed Canuel (petitioners) filed a complaint<sup>14</sup> against Magsaysay and Kotani, as well as Magsaysay's Manager/President, Eduardo U. Manese (respondents), before the National Labor Relations Commission (NLRC), docketed as NLRC-OFW Case No. (M)-07-05-01423-00, seeking to recover death benefits, death compensation of minor children, burial allowance, damages, and attorney's fees.

In their defense, respondents denied any liability and contended that while Nancing died of acute respiratory failure, the real cause of his death, as shown in the autopsy conducted by the National Bureau of Investigation, was "moderately differentiated andenocarcinoma, pneumonia and pulmonary edema, lung tissue" or lung cancer.<sup>15</sup> The said illness is not work-

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<sup>4</sup> See Contract of Employment; *id.* at 40.

<sup>5</sup> *Id.* at 12 and 113.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 115-116.

<sup>8</sup> Spelled as "haemothorax" in some parts of the records. See Shanghai Seamen's Hospital Discharge Certificate; *id.* at 41. See also *id.* at 46 and 255-256.

<sup>9</sup> *Id.* at 14 and 156.

<sup>10</sup> *Id.* at 156

<sup>11</sup> *Id.* at 115.

<sup>12</sup> *Id.* at 156.

<sup>13</sup> *Id.* at 49.

<sup>14</sup> *Id.* at 50-51.

<sup>15</sup> *Id.* at 64 and 116.

related per advise of their company doctor, Dr. Marie Cherry Lyn Samson-Fernando, hence, not compensable.<sup>16</sup>

### **The LA Ruling**

In a Decision<sup>17</sup> dated December 27, 2007, the Labor Arbiter (LA) ruled in favor of petitioners and thereby ordered respondents to pay them: (a) the aggregate sum of US\$72,000.00 consisting of US\$50,000.00 as death benefits, US\$21,000.00 as death compensation for the three minor children (US\$7,000.00 each), and US\$1,000.00 for burial expenses; (b) illness allowance from March 5, 2007 to April 25, 2007; (c) □100,000.00 as moral damages; (d) □100,000.00 as exemplary damages; and (e) 10% of the total award as attorney's fees.<sup>18</sup>

The LA found that Nancing's death on April 25, 2007 occurred during the term of his twelve-month employment contract.<sup>19</sup> Moreover, the evidence on record supports the conclusion that his demise was caused by the injury he sustained in an accident while performing his job on board the vessel. Hence, his death was the result of a work-related injury that occurred during the term of his employment.<sup>20</sup> Corollary thereto, the LA disregarded respondents' contention that lung cancer, a non-work related illness, caused Nancing's death as it was apparent that it was the injury he sustained while working on board the vessel that triggered the deterioration of his resistance against the said illness or any other affliction that he may have had.<sup>21</sup>

At odds with the LA Ruling, respondents appealed to the NLRC.

### **The NLRC Ruling**

Respondents' appeal<sup>22</sup> was denied by the NLRC in a Decision<sup>23</sup> dated April 30, 2008.

The NLRC ruled that while respondents correctly argued that Nancing's death did not occur during the term of his employment pursuant to Section 18 of the Philippine Overseas Employment Administration Standard Employment Contract (POEA-SEC) as his employment was deemed terminated after his medical repatriation, still, it cannot be doubted that his death was brought about by the same or similar cause or illness

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<sup>16</sup> See *id.* at 69-76.

<sup>17</sup> *Id.* at 111-125. Penned by Executive Labor Arbiter Herminio V. Suelo.

<sup>18</sup> *Id.* at 124.

<sup>19</sup> *Id.* at 119.

<sup>20</sup> *Id.* at 119-120.

<sup>21</sup> *Id.* at 120-121.

<sup>22</sup> *Id.* at 126-149. Dated January 16, 2008, docketed as NLRC LAC OFW (M) No. 02-000149-08 (8).

<sup>23</sup> *Id.* at 154-162. Penned by Commissioner Gregorio O. Bilog III, with Presiding Commissioner Lourdes C. Javier, concurring.

which caused him to be repatriated.<sup>24</sup> Thus, it sustained the findings of the LA that petitioners are entitled to receive compensation for Nancing's death.<sup>25</sup> It further affirmed the award of damages and attorney's fees in petitioners' favor but found respondents not liable for sickness allowance and burial benefits since the same were already paid by respondents.<sup>26</sup>

Dissatisfied, respondents sought reconsideration<sup>27</sup> but were denied by the NLRC in a Resolution<sup>28</sup> dated June 18, 2008, prompting them to elevate the case to the CA on *certiorari*.<sup>29</sup>

### **The CA Ruling**

In a Decision<sup>30</sup> dated May 19, 2009, the CA found that the NLRC Ruling was tainted with grave abuse of discretion and, thus, rendered a new judgment dismissing petitioners' complaint for death benefits.<sup>31</sup> Citing the case of *Klaveness Maritime Agency, Inc. v. Beneficiaries of the Late Second Officer Anthony S. Allas (Klaveness)*,<sup>32</sup> it held that the death of the seafarer after the termination of his contract is not compensable, even if the death is caused by the same illness which prompted the repatriation of the seafarer and the termination of his contract.<sup>33</sup>

Petitioners' motion for reconsideration<sup>34</sup> therefrom was denied by the CA in a Resolution<sup>35</sup> dated October 30, 2009, hence, the instant petition.

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

The core issue for the Court's resolution is whether or not the CA committed reversible error in holding that the NLRC committed grave abuse of discretion in granting petitioners' complaint for death benefits.

Petitioners claim that the death of Nancing after his repatriation is compensable because it was the accident he suffered on board the vessel that triggered his traumatic hemothorax,<sup>36</sup> eventually leading to his acute respiratory failure, the immediate cause of his death.<sup>37</sup>

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<sup>24</sup> Id. at 158-159.

<sup>25</sup> Id.

<sup>26</sup> Id. at 161.

<sup>27</sup> Through a Motion for Reconsideration dated May 28, 2008. Id. at 163-179.

<sup>28</sup> Id. at 183-184. Penned by Commissioner Gregorio O. Bilog III, with Presiding Commissioner Lourdes C. Javier, concurring and Commissioner Tito F. Genilo, took no part.

<sup>29</sup> Dated July 9, 2008. Id. at 185-217.

<sup>30</sup> Id. at 254-267.

<sup>31</sup> Id. at 266.

<sup>32</sup> 566 Phil. 579 (2008).

<sup>33</sup> *Rollo*, pp. 264-266.

<sup>34</sup> Dated June 9, 2009. Id. at 268-273.

<sup>35</sup> Id. at 275-276.

<sup>36</sup> Also spelled as "Haemothorax."

<sup>37</sup> *Rollo*, p. 25.

Echoing the CA, respondents aver that since the Nancing's employment contract was deemed terminated when he was medically repatriated on March 24, 2007, petitioners are not entitled to death and other benefits.<sup>38</sup> They also maintain that Nancing died of lung cancer which is not a work-related illness.<sup>39</sup>

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

The terms and conditions of a seafarer's employment are governed by the provisions of the contract he signs with the employer at the time of his hiring. Deemed integrated in his employment contract is a set of standard provisions determined and implemented by the POEA, called the "Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels," which provisions are considered to be the minimum requirements acceptable to the government for the employment of Filipino seafarers on board foreign ocean-going vessels.<sup>40</sup>

The provisions currently governing the entitlement of the seafarer's beneficiaries to death benefits are found in Section 20 of the 2000 POEA-SEC.

Part A (1) thereof states that the seafarer's beneficiaries may successfully claim death benefits if they are able to establish that the seafarer's death is (a) work-related, and (b) had occurred during the term of his employment contract, *viz.*:

#### **SECTION 20. COMPENSATION AND BENEFITS**

##### **A. COMPENSATION AND BENEFITS FOR DEATH**

1. In case of **work-related death** of the seafarer, **during the term of his contract**, the employer shall pay his beneficiaries the Philippine Currency equivalent to the amount of Fifty Thousand US dollars (US\$50,000) and an additional amount of Seven Thousand US dollars (US\$7,000) to each child under the age of twenty-one (21) but not exceeding four (4) children, at the exchange rate prevailing during the time of payment. (Emphases supplied)

Part A (4) of the same provision further complements Part A (1) by stating the "other liabilities" of the employer to the seafarer's beneficiaries if the seafarer dies (a) as a result of work-related injury or illness, and (b) during the term of his employment, *viz.*:

#### **SECTION 20. COMPENSATION AND BENEFITS**

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<sup>38</sup> See Respondent's Comment/Opposition; *id.* at 298-302.

<sup>39</sup> *Id.* at 302-314.

<sup>40</sup> *Nisda v. Sea Serve Maritime Agency*, 611 Phil. 291, 315 (2009).

## A. COMPENSATION AND BENEFITS FOR DEATH

x x x x

**4. The other liabilities of the employer when the seafarer dies as a result of work-related injury or illness during the term of employment are as follows:**

- a. The employer shall pay the deceased's beneficiary all outstanding obligations due the seafarer under this Contract.
- b. The employer shall transport the remains and personal effects of the seafarer to the Philippines at employer's expense except if the death occurred in a port where local government laws or regulations do not permit the transport of such remains. In case death occurs at sea, the disposition of the remains shall be handled or dealt with in accordance with the master's best judgment. In all cases, the employer/master shall communicate with the manning agency to advise for disposition of seafarer's remains.
- c. The employer shall pay the beneficiaries of the seafarer the Philippines currency equivalent to the amount of One Thousand US dollars (US\$1,000) for burial expenses at the exchange rate prevailing during the time of payment. (Emphasis and underscoring supplied)

Integral as they are for a valid claim for death compensation, the Court examines this case according to the above-stated dual requirements.

**First Requirement:**

***The Seafarer's Death Should Be Work-Related.***

While the 2000 POEA-SEC does not expressly define what a "**work-related death**" means, it is palpable from Part A (4) as above-cited that the said term refers to the **seafarer's death resulting from a work-related injury or illness**. This denotation complements the definitions accorded to the terms "work-related injury" and "work-related illness" under the 2000 POEA-SEC as follows:

**Definition of Terms:**

For purposes of this contract, the following terms are defined as follows:

x x x x

11. Work-Related Injury – **injury(ies) resulting in disability or death arising out of and in the course of employment.**

12. Work-Related Illness – **any sickness resulting to disability or death** as a result of an occupational disease listed under Section 32-A of this contract with the conditions set therein satisfied. (Emphases supplied)

Given that the seafarer's death in this case resulted from a work-related injury as defined in the 2000 POEA-SEC above, it is clear that the first requirement for death compensability is present.

As the records show, Nancing suffered a work-related injury within the term of his employment contract when he figured in an accident while performing his duties as Third Assistant Engineer at cylinder number 7 of the vessel on February 20, 2007.<sup>41</sup> The foregoing circumstances aptly fit the legal attribution of the phrase “arising out of and in the course of employment” which the Court, in the early case of *Iloilo Dock & Engineering Co. v. Workmen's Compensation Commission*,<sup>42</sup> pronounced as follows:

The two components of the coverage formula – “arising out of” and “in the course of employment” – are said to be separate tests which must be independently satisfied; however, it should not be forgotten that the basic concept of compensation coverage is unitary, not dual, and is best expressed in the word, “work-connection,” because an uncompromising insistence on an independent application of each of the two portions of the test can, in certain cases, exclude clearly work-connected injuries. The words “**arising out of**” refer to the **origin or cause of the accident**, and are **descriptive of its character**, while the words “**in the course of**” refer to the **time, place, and circumstances under which the accident takes place**.

As a matter of general proposition, an injury or accident is said to arise “**in the course of employment**” when **it takes place within the period of the employment, at a place where the employee reasonably may be, and while he is fulfilling his duties or is engaged in doing something incidental thereto**.<sup>43</sup> (Emphases supplied; citations omitted)

That Nancing was suffering from lung cancer, which was found to have been pre-existing, hardly impels a contrary conclusion since – as the LA herein earlier noted – the February 20, 2007 injury actually led to the deterioration of his condition.<sup>44</sup> As held in *More Maritime Agencies, Inc. v. NLRC*,<sup>45</sup> “[i]f the injury is the **proximate cause** of [the seafarer's] death or disability for which compensation is sought, [his] previous physical condition x x x is unimportant and recovery may be had for injury independent of any pre-existing weakness or disease,” viz.:

**Compensability x x x does not depend on whether the injury or disease was pre-existing at the time of the employment but rather if**

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<sup>41</sup> *Rollo*, p. 13.

<sup>42</sup> 135 Phil. 95 (1968).

<sup>43</sup> *Id.* at 97-98.

<sup>44</sup> *Rollo*, pp. 120-121.

<sup>45</sup> 366 Phil. 646 (1999).

**the disease or injury is work-related or aggravated his condition.** It is indeed safe to presume that, at the very least, the arduous nature of [the seafarer's] employment had contributed to the aggravation of his injury, if indeed it was pre-existing at the time of his employment. Therefore, it is but just that he be duly compensated for it. It is not necessary, in order for an employee to recover compensation, that he must have been in perfect condition or health at the time he received the injury, or that he be free from disease. Every workman brings with him to his employment certain infirmities, and while the employer is not the insurer of the health of his employees, he takes them as he finds them, and assumes the risk of having a weakened condition aggravated by some injury which might not hurt or bother a perfectly normal, healthy person. **If the injury is the proximate cause of his death or disability for which compensation is sought, the previous physical condition of the employee is unimportant and recovery may be had for injury independent of any pre-existing weakness or disease.**<sup>46</sup> (Emphases and underscoring supplied)

Clearly, Nancing's injury was the **proximate cause** of his death considering that the same, unbroken by any efficient, intervening cause, triggered the following sequence of events: **(a)** Nancing's hospitalization at the Shanghai Seamen's Hospital<sup>47</sup> where he was diagnosed with "bilateral closed traumatic haemothorax";<sup>48</sup> **(b)** his repatriation and eventual admission to the Manila Doctor's Hospital;<sup>49</sup> and **(c)** his acute respiratory failure, which was declared to be the immediate cause of his **death**.<sup>50</sup>

Thus, for the foregoing reasons, it cannot be seriously disputed that the first requirement for death compensability concurs in this case.

**Second Requirement:**  
***The Seafarer's Death Should Occur***  
***During The Term Of Employment.***

With respect to the second requirement for death compensability, the Court takes this opportunity to clarify that while the general rule is that the seafarer's death should occur during the term of his employment, the seafarer's death occurring after the termination of his employment due to his medical repatriation on account of a work-related injury or illness constitutes an exception thereto. This is based on a liberal construction of the 2000 POEA-SEC as impelled by the plight of the bereaved heirs who stand to be deprived of a just and reasonable compensation for the seafarer's death, notwithstanding its evident work-connection. The present petition is a case in point.

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<sup>46</sup> Id. at 654-655.

<sup>47</sup> *Rollo*, pp. 156-157

<sup>48</sup> Id. at 41. See also *id.* at 46 and 255-256.

<sup>49</sup> Id. at 156.

<sup>50</sup> Id. at 49 and 156.



Here, Nancing's repatriation occurred during the eighth (8<sup>th</sup>) month of his one (1) year employment contract. Were it not for his injury, which had been earlier established as work-related, he would not have been repatriated for medical reasons and his contract consequently terminated pursuant to Part 1 of Section 18 (B) of the 2000 POEA-SEC as hereunder quoted:

#### **SECTION 18. TERMINATION OF EMPLOYMENT**

X X X X

B. The employment of the seafarer is also terminated when the seafarer arrives at the point of hire for any of the following reasons:

1. when the seafarer signs-off and is disembarked for medical reasons pursuant to Section 20 (B)[5] of this Contract.

The terminative consequence of a medical repatriation case then appears to present a rather prejudicial quandary to the seafarer and his heirs. Particularly, if the Court were to apply the provisions of Section 20 of the 2000 POEA-SEC as above-cited based on a strict and literal construction thereof, then the heirs of Nancing would stand to be barred from receiving any compensation for the latter's death despite its obvious work-relatedness. Again, this is for the reason that the work-related death would, by mere legal technicality, be considered to have occurred after the term of his employment on account of his medical repatriation. It equally bears stressing that neither would the heirs be able to receive any disability compensation since the seafarer's death in this case precluded the determination of a disability grade, which, following Section 20 (B)<sup>51</sup> in relation to Section 32<sup>52</sup> of the 2000 POEA-SEC, stands as the basis therefor.

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<sup>51</sup> B. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS

The liabilities of the employer when the seafarer suffers work-related injury or illness during the term of his contract are as follows:

1. The employer shall continue to pay the seafarer his wages during the time he is on board the vessel;

2. If the injury or illness requires medical and/or dental treatment in a foreign port, the employer shall be liable for the full cost of such medical, serious dental, surgical and hospital treatment as well as board and lodging until the seafarer is declared fit to work or to be repatriated.

However, if after repatriation, the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time he is declared fit to work or the degree of his disability has been established by the company-designated physician.

3. Upon sign-off from the vessel for medical treatment, the seafarer is entitled to sickness allowance equivalent to his basic wage until he is declared fit to work or the degree of permanent disability has been assessed by the company-designated physician but in no case shall this period exceed one hundred twenty (120) days.

For this purpose, the seafarer shall submit himself to a post-employment medical examination by a company-designated physician within three working days upon his return except when he is physically incapacitated to do so, in which case, a written notice to the agency within the same period is deemed as compliance. Failure of the seafarer to comply with the mandatory reporting requirement shall result in his forfeiture of the right to claim the above benefits.

If a doctor appointed by the seafarer disagrees with the assessment, a third doctor may be agreed jointly between the Employer and the seafarer. The third doctor's decision shall be final and binding on both parties.

4. Those illnesses not listed in Section 32 of this Contract are disputably presumed as work related.

5. Upon sign-off of the seafarer from the vessel for medical treatment, the employer shall bear the full cost of repatriation in the event the seafarer is declared (1) fit for repatriation; or (2) fit to work but the employer is unable to find employment for the seafarer on board his former vessel or another vessel of the employer despite earnest efforts.

However, a strict and literal construction of the 2000 POEA-SEC, especially when the same would result into inequitable consequences against labor, is not subscribed to in this jurisdiction. Concordant with the State's avowed policy to give **maximum aid and full protection to labor** as enshrined in Article XIII of the 1987 Philippine Constitution,<sup>53</sup> contracts of labor, such as the 2000 POEA-SEC, are deemed to be so impressed with public interest that the more beneficial conditions must be endeavoured in favor of the laborer.<sup>54</sup> The rule therefore is one of liberal construction. As enunciated in the case of *Philippine Transmarine Carriers, Inc. v. NLRC*:<sup>55</sup>

The POEA Standard Employment Contract for Seamen is designed primarily for the protection and benefit of Filipino seamen in the pursuit of their employment on board ocean-going vessels. **Its provisions must [therefore] be construed and applied fairly, reasonably and liberally in their favor [as it is only] then can its beneficent provisions be fully carried into effect.**<sup>56</sup> (Emphasis supplied)

Applying the rule on liberal construction, the Court is thus brought to the recognition that medical repatriation cases should be considered as an exception to Section 20 of the 2000 POEA-SEC. Accordingly, the phrase “**work-related death of the seafarer, during the term of his employment contract**” under Part A (1) of the said provision should **not** be strictly and literally construed to mean that the seafarer's work-related death should have precisely occurred during the term of his employment. Rather, it is enough that **the seafarer's work-related injury or illness which**

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6. In case of permanent total or partial disability of the seafarer caused by either injury or illness the seafarer shall be compensated in accordance with the schedule of benefits arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time the illness or disease was contracted.

<sup>52</sup> See SECTION 32. SCHEDULE OF DISABILITY OR IMPEDIMENT FOR INJURIES SUFFERED AND DISEASES INCLUDING OCCUPATIONAL DISEASES OR ILLNESS CONTRACTED, of the 2000 POEA-SEC.

<sup>53</sup> Section 3, Article XIII of the 1987 Philippine Constitution reads as follows:

#### LABOR

*Sec. 3.* The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

The State shall promote the principle of shared responsibility between workers and employers and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace.

The State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth.

<sup>54</sup> *Legal Heirs of the Late Edwin B. Deauna v. Fil-Star Maritime Corporation*, G.R. No. 191563, June 20, 2012, 674 SCRA 284, 304.

<sup>55</sup> 405 Phil. 487 (2001).

<sup>56</sup> *Id.* at 495.

**eventually causes his death should have occurred during the term of his employment.** Taking all things into account, the Court reckons that it is by this method of construction that undue prejudice to the laborer and his heirs may be obviated and the State policy on labor protection be championed. For if the laborer's death was brought about (whether fully or partially) by the work he had harbored for his master's profit, then it is but proper that his demise be compensated. Here, since it has been established that (a) the seafarer had been suffering from a work-related injury or illness during the term of his employment, (b) his injury or illness was the cause for his medical repatriation, and (c) it was later determined that the injury or illness for which he was medically repatriated was the proximate cause of his actual death although the same occurred after the term of his employment, the above-mentioned rule should squarely apply. Perforce, the present claim for death benefits should be granted.

To quell any confusion, it is but fitting to make clear that a liberal construction of Section 20 of the 2000 POEA-SEC as above-discussed would not offend the Court's ruling in *Klaveness*,<sup>57</sup> which was inaccurately relied upon by the CA to justify its decision. The inaccuracy so recognized stems from the glaring factual and legal variance between *Klaveness* and the present case. Upon careful scrutiny, the seafarer in *Klaveness* was not medically repatriated **but was actually signed off from the vessel after the completion of his contract.** He was subsequently diagnosed to have urinary bladder cancer, which was **not proven to be work-related**, and died almost two (2) years after the termination of his contract of employment. Hence, since the employment contract was terminated without any connection to a work-related cause, but rather because of its mere lapse, death benefits were denied to the seafarer's heirs. In contrast, the seafarer in this case was **medically repatriated due to a work-related injury which resulted to his death** a month after his confinement in a local hospital. Again, were it not for said injury, the seafarer would not have been medically repatriated and his employment contract, in turn, terminated. By these circumstances, it is clear that the termination of the employment contract was forced upon by a work-related cause. As alluded earlier, it would then be antithetical to the State's policy on labor to deprive the seafarer's heirs of death compensation despite its palpable work-connection. Based on the foregoing, it is, hence, apparent that the Court's pronouncement herein would not conflict that in *Klaveness*. Truth be told, **the defining parameter in workers' compensation cases should be the element of work-relatedness** which was clearly absent in the "contract-completion" situation in *Klaveness*.<sup>58</sup> To reiterate, if the death is work-related, as herein ascribed, then the seafarer's heirs should not be denied compensation.

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<sup>57</sup> Supra note 32, at 584-590.

<sup>58</sup> *Klaveness* is similar to *Medline Management, Inc. v. Roslinda*, G.R. No. 168715, September 15, 2010, 630 SCRA 471, and *Sea Power Shipping Enterprises, Inc. v. Salazar*, G.R. No. 188595, August 28, 2013, 704 SCRA 233, where death compensation was denied since the seafarers in those cases were repatriated not because of any illness but due to the expiration of their respective contracts of employment.

To reinforce the point, a survey of previous Court rulings wherein death compensability had been **denied** the heirs of the seafarer actually demonstrates the significance of the work-relatedness element in workers' compensation cases. For instance, in *Gau Sheng Phils., Inc. v. Joaquin*,<sup>59</sup> the illness of the seafarer therein, who was terminated based on mutual consent, was found to be non-compensable since he died of chronic renal failure which was not listed as a compensable illness. Likewise, in *Aya-ay, Sr. v. Arpaphil Shipping Corp.*,<sup>60</sup> the Court denied the claim for death compensation because the seafarer therein was repatriated due to an eye injury but subsequently died of a stroke, which was not listed as a compensable illness under the POEA-SEC. Death compensation was also denied to the claimants in *Hermogenes v. Osco Shipping Services, Inc.*,<sup>61</sup> since no evidence was offered to prove the cause of the termination of the contract of employment, whereas it was found that the seafarer therein died three (3) years after his disembarkation of an illness which was not shown to have been contracted during his employment. An identical ruling was rendered in *Prudential Shipping and Management Corp. v. Sta. Rita*,<sup>62</sup> wherein the seafarer in said case was repatriated due to umbilical hernia but died one (1) year after of cardiopulmonary arrest, which was not, however, established as work-related. Similarly, death compensation was denied the claimants in *Ortega v. CA*,<sup>63</sup> considering that the seafarer therein died of lung cancer which was not found to be work-related.

Meanwhile, on the opposite end of the jurisprudential spectrum, the Court, in a number of cases, **granted** claims for death benefits although the seafarers' death therein had occurred after their repatriation primarily because of the causal connection between their work and the illness which had eventually resulted in their death.

In the 1999 case of *Wallem Maritime Service, Inc. v. NLRC*,<sup>64</sup> the death benefit claims of the heirs of the seafarer who had died after having been repatriated on account of "mutual consent" between him and his employer was allowed by the Court because of the "reasonable connection" between his job and his illness. As pertinently stated in that case:

It is not required that the employment be the sole factor in the growth, development or acceleration of the illness to entitle the claimant to the benefits provided therefor. **It is enough that the employment had contributed, even in a small degree, to the development of the disease and in bringing about his death.**

It is indeed safe to presume that, at the very least, the nature of Faustino Inductivo's employment had contributed to the aggravation of his illness —

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<sup>59</sup> 481 Phil. 222 (2004).

<sup>60</sup> 516 Phil. 628 (2006).

<sup>61</sup> 504 Phil. 564 (2005).

<sup>62</sup> 544 Phil. 94 (2007).

<sup>63</sup> 576 Phil. 601 (2008).

<sup>64</sup> 376 Phil. 738 (1999).

if indeed it was pre-existing at the time of his employment — and therefore it is but just that he be duly compensated for it. **It cannot be denied that there was at least a reasonable connection between his job and his lung infection, which eventually developed into septicemia and ultimately caused his death.** As a [utility man] on board the vessel, he was exposed to harsh sea weather, chemical irritants, dusts, etc., all of which invariably contributed to his illness.

Neither is it necessary, in order to recover compensation, that the employee must have been in perfect condition or health at the time he contracted the disease. Every workman brings with him to his employment certain infirmities, and while the employer is not the insurer of the health of the employees, he takes them as he finds them and assumes the risk of liability. If the disease is the proximate cause of the employee's death for which compensation is sought, the previous physical condition of the employee is unimportant and recovery may be had therefor independent of any pre-existing disease.<sup>65</sup> (Emphases and underscoring supplied)

Later, the Court, in *Seagull Shipmanagement and Transport, Inc. v. NLRC*<sup>66</sup> – a sickness and permanent disability claims case decided under the auspices of the 1984 version of the POEA-SEC (which, unlike the present standard contract, only requires that the illness of death occur during the term of the employment whether work-related or not) – significantly observed that:

Even assuming that the ailment of the worker was contracted prior to his employment, this still would not deprive him of compensation benefits. **For what matters is that his work had contributed, even in a small degree, to the development of the disease and in bringing about his eventual death.** Neither is it necessary, in order to recover compensation, that the employee must have been in perfect health at the time he contracted the disease. A worker brings with him possible infirmities in the course of his employment, and while the employer is not the insurer of the health of the employees, he takes them as he finds them and assumes the risk of liability. **If the disease is the proximate cause of the employee's death for which compensation is sought, the previous physical condition of the employee is unimportant, and recovery may be had for said death, independently of any pre-existing disease.**<sup>67</sup> (Emphases and underscoring supplied; citations omitted)

The Court similarly took into account the work-relatedness element in granting the death benefits claim in *Interorient Maritime Enterprises, Inc. v. Remo*,<sup>68</sup> a 2010 case decided under the 1996 POEA-SEC which operated under parameters identical to the 1984 POEA-SEC. Quoted hereunder are the pertinent portions of that ruling:

It was established on record that before the late Lutero Remo signed his last contract with private respondents as Cook-Steward of the vessel “M/T

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<sup>65</sup> Id. at 747-748.

<sup>66</sup> 388 Phil. 906 (2000).

<sup>67</sup> Id. at 914-915.

<sup>68</sup> G.R. No. 181112, June 29, 2010, 622 SCRA 237.

Captain Mitsos L,” he was required to undergo a series of medical examinations. Yet, he was declared “fit to work” by private respondents’ company designated-physician. On April 19, 1999, Remo was discharged from his vessel after he was hospitalized in Fujairah for *atrial fibrillation* and *congestive heart failure*. **His death on August 28, 2000, even if it occurred months after his repatriation, due to hypertensive cardio-vascular disease, could clearly have been work related.** Declared as “fit to work” at the time of hiring, and hospitalized while on service on account of “atrial fibrillation and congestive heart failure,” his eventual death due to “hypertensive cardio-vascular disease” could only be work related. The death due to “hypertensive cardio-vascular disease” could in fact be traced to Lutero Remo’s being the “Cook-Steward.” **As Cook-Steward of an ocean going vessel, Remo had no choice but to prepare and eat hypertension inducing food, a kind of food that eventually caused his “hypertensive cardio-vascular disease,” a disease which in turn admittedly caused his death.**

**Private respondents cannot deny liability for the subject death by claiming that the seafarer’s death occurred beyond the term of his employment and worsely, that there has been misrepresentation on the part of the seafarer.** For, as employer, the private respondents had all the opportunity to pre-qualify, thoroughly screen and choose their applicants to determine if they are medically, psychologically and mentally fit for employment. That the seafarer here was subjected to the required pre-qualification standards before he was admitted as Cook-Steward, it thus has to be safely presumed that the late Remo was in a good state of health when he boarded the vessel.<sup>69</sup> (Emphases and underscoring supplied; citation omitted)

More recently, in the 2013 case of *Inter-Orient Maritime, Incorporated v. Candava*,<sup>70</sup> also decided under the framework of the 1996 POEA-SEC, the Court pronounced that the seafarer’s death therein, despite occurring after his repatriation, remains “compensable for having been caused by an illness duly established to have been contracted in the course of his employment.”<sup>71</sup>

Thus, considering the constitutional mandate on labor as well as relative jurisprudential context, the rule, restated for a final time, should be as follows: **if the seafarer’s work-related injury or illness (that eventually causes his medical repatriation and, thereafter, his death, as in this case) occurs during the term of his employment, then the employer becomes liable for death compensation benefits under Section 20 (A) of the 2000 POEA-SEC.** The provision cannot be construed otherwise for to do so would not only transgress prevailing constitutional policy and deride the bearings of relevant case law but also result in a travesty of fairness and an indifference to social justice.

For all these reasons, the Court hereby grants the petition.

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<sup>69</sup> Id. at 249.

<sup>70</sup> G.R. No. 201251, June 26, 2013, 700 SCRA 174.

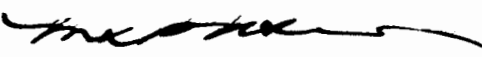
<sup>71</sup> Id. at 187.

**WHEREFORE**, the petition is **GRANTED**. The Decision dated May 19, 2009 and the Resolution dated October 30, 2009 of the Court of Appeals in CA-G.R. SP No. 104479 are hereby **REVERSED** and **SET ASIDE** and the Decision dated April 30, 2008 of the National Labor Relations Commission is **REINSTATED**.

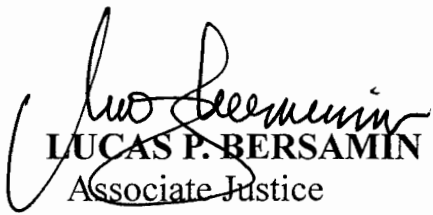
**SO ORDERED.**

  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice

**WE CONCUR:**

  
**MARIA LOURDES P. A. SERENO**  
Chief Justice  
Chairperson

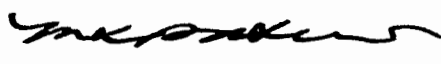
  
**TERESITA J. LEONARDO-DE CASTRO**  
Associate Justice

  
**LUCAS P. BERSAMIN**  
Associate Justice

  
**JOSE PORTUGAL PEREZ**  
Associate Justice

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

  
**MARIA LOURDES P. A. SERENO**  
Chief Justice