



Republic of the Philippines
Supreme Court
 Manila

SUPREME COURT OF THE PHILIPPINES
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FIRST DIVISION

**MARYVILLE MANILA,
 INC.,**

Petitioner,

G.R. No. 229372

Present:

- versus -

PERALTA, *CJ.*, Chairperson,
 CAGUIOA,
 REYES, J., JR.,
 LAZARO-JAVIER, and
 LOPEZ, *JJ.*

LLOYD C. ESPINOSA,
 Respondent.

Promulgated:

AUG 27 2020

X-----X

D E C I S I O N

LOPEZ, J.:

The reasonable link between the seafarer’s illnesses and nature of work is the main issue in this Petition for Review on *Certiorari* under Rule 45 assailing the Court of Appeal’s (CA) Decision¹ dated September 1, 2016 in CA-G.R. SP No. 138222, which reversed and set aside the findings of the National Labor Relations Commission (NLRC).

ANTECEDENTS

On September 12, 2010, Maryville Manila, Inc. (Maryville Manila), a local manning agency acting for and in behalf of its principal Maryville Maritime, Inc. (Maryville Maritime), deployed Lloyd Espinosa (Lloyd) as a seafarer on board the vessel M/V Renuar. On December 11, 2010 to April 23, 2011, the Somali pirates held hostage the vessel and its entire crew. On May 5, 2011, Lloyd was repatriated.² On January, 10, 2012, Maryville Manila re-

¹ *Rollo* at 20-B-25-B; penned by Associate Justice Normandie B. Pizarro, with the concurrence of Associate Justices Samuel H. Gaerlan (now a Member of this Court) and Ma. Luisa C. Quijano-Padilla.

² *Id.* at 21-A.

hired Lloyd to work on board M/V Iron Manolis for a period of nine months. However, Lloyd was repatriated after seven months or on August 29, 2012.³

On July 15, 2013, Lloyd filed a complaint for total and permanent disability benefits against Maryville Manila and Maryville Maritime before the labor arbiter (LA). Lloyd alleged that he was repatriated after suffering flashbacks of the hostage incident and experiencing mental breakdown. Yet, Maryville Manila refused to give him medical assistance when he arrived in the Philippines. He then sought on February 12, 2013 the advice of a clinical psychologist who diagnosed him with “*Occupational Stress Disorder (Work-related); Hypomanic Mood Disorder, to consider; Bipolar Condition; R/O Schizophrenic Episode; and [Post-traumatic] Stress Disorder.*”⁴ This work-related and work-aggravated condition rendered him permanently incapacitated to work as a seafarer.⁵ On the other hand, Maryville Manila and Maryville Maritime claimed that Lloyd voluntarily disembarked from the vessel without any medical incident or accident. Moreover, Lloyd did not immediately report to the company-designated physician after his repatriation. It was only in July 2013 that Lloyd visited Maryville Manila asking for another contract of employment.⁶

On February 28, 2014, the LA granted Lloyd’s claim for total and permanent disability benefits. It explained that Maryville Manila and Maryville Maritime failed to prove that Lloyd voluntarily requested his repatriation. Likewise, Lloyd’s failure to immediately report to the company-designated physician will not prevent him from claiming disability compensation. The reportorial requirement is only a condition *sine qua non* for entitlement to sickness allowance,⁷ thus:

At the outset, while it may be conceded that the instant complaint was only filed several months after the complainant’s repatriation and that there was no record at all that shows that complainant was repatriated due to his present illness, this Office, however, cannot help but consider the glaring fact that complainant, for one reason or another, had failed to finish his last contract with respondent. x x x [T]his Office finds the respondents’ allegation that it was complainant who requested for his early repatriation bereft of any evidentiary support. As correctly pointed out by the complainant, respondents could have easily presented pertinent evidence, [*i.e.*] master’s report, to prove such an allegation. This notwithstanding, respondents, for no apparent valid reason, lifted no finger to do so, thus, renders their stance, highly suspect. x x x

x x x x

In addition, **anent the respondents’ contention that complainant failed to report within three days after his repatriation, be that as it may, this, albeit assailed by complainant,** does not detract from the

³ *Id.* at 21-A.

⁴ *Id.* at 42-B-43-A.

⁵ *Id.* at 21-B.

⁶ *Id.*

⁷ *Rollo*, pp. 115-122.

complainant's entitlement to full disability compensation. It should be stressed that compliance with the provision of the POEA Contract on the reportorial requirement is a condition [*sine qua non*] only for claiming sickness allowance and not for a total permanent disability benefits. x x x

Thus, **granting that complainant had failed to report within three days, albeit he insisted that he indeed reported but respondents refused to accommodate him**, complainant had merely waived, in effect, his right to sickness allowance and never his complaint for total and permanent disability.

x x x x

WHEREFORE, premises considered, judgment is hereby rendered declaring the complainant entitled to total and permanent disability benefits in the amount of **USD 60,000.00** under the POEA Contract, [*sic*] and attorney's fee equivalent to ten percent of the said amount.

However, all other claims, including the claim for moral and exemplary damages are denied for lack of factual basis.

SO ORDERED.⁸ (Emphases supplied.)

Dissatisfied, both parties appealed to the NLRC. Maryville Manila and Maryville Maritime maintained that Lloyd is not entitled to any disability benefit. In contrast, Lloyd argued that the LA should grant him double compensation benefit due to disability in high risk areas.⁹ On August 29, 2014, the NLRC reversed the LA's findings and dismissed Lloyd's complaint. It ratiocinated that Lloyd failed to establish that he was repatriated for medical reasons. Also, it held that the reportorial requirement applies to claims for disability compensation. Lastly, there was no reason to relax the requirement absent evidence that Lloyd was incapacitated to submit himself to post-employment medical examination before the company-designated physician or that he had submitted a written notice to that effect,¹⁰ viz.:

WHEREFORE, premises considered, respondents' appeal is **GRANTED** and the Labor Arbiter's Decision dated February 28, 2014 is **VACATED AND SET ASIDE**. A new one is hereby entered **DISMISSING** complainant-appellant's complaint for total and permanent disability benefits. Accordingly, his partial appeal is **DENIED** for lack of merit

SO ORDERED.¹¹

Unsuccessful at a reconsideration,¹² Lloyd elevated the case to the CA through a petition for *certiorari* docketed as CA-G.R. SP No. 138222. On September 1, 2016, the CA set aside the NLRC's Decision and reinstated the

⁸ *Id.* at 119-122.

⁹ *Id.* at 22-A.

¹⁰ *Id.* at 124-135.

¹¹ *Id.* at 134.

¹² *Id.* at 137-139.



LA's award of total and permanent disability benefits. The CA cited *Baron, et al. v. EPE Transport, Inc., et al.*¹³ and *Barros v. NLRC*¹⁴ and ruled that the burden rests upon Maryville Manila and Maryville Maritime to prove that Lloyd was not medically repatriated. It also cited *Career Philippines Shipmanagement, Inc., et al. v. Serna*¹⁵ and held that Lloyd sought medical examination but was refused, thus:

There is no dispute that the Petitioner was repatriated before the end of his contract with the Private Respondent. The parties, however, cannot agree on the reason for such repatriation. **As there is no showing of a clear, valid, and legal cause for the Petitioner's repatriation, the issue will, therefore, be resolved in like manner as claims for illegal dismissal, which means that the burden is on the employer to prove that the termination was for a valid or authorized cause.**

x x x x

As for the post-employment medical examination requirement, both the Petitioner and the Private Respondents failed to present supporting evidence of their contrasting claims. On the part of the Petitioner, he failed to show proof that he was refused medical examination while, on the part of the Private Respondents, the latter failed to present proof that the Petitioner made such a request. Pertinent on this score is the Supreme Court's pronouncement in *Career Philippines Shipmanagement, Inc., et al. v. Serna, viz.:*

x x x While Serna's verified claim with respect to his July 14, 1999 visit to the petitioner's office may be seen by some as a bare allegation, we note that the petitioners' corresponding denial is itself also a bare allegation that, worse, is unsupported by other evidence on record. [In contrast, the events that transpired after the July 14, 1999 visit, as extensively discussed by the CA above, effectively served to corroborate Serna's claim on the visit's purpose, i.e., to seek medical assistance.] Under these circumstances, we find no grave abuse of discretion on the part of the NLRC when it affirmed the labor arbiter ruling and gave credence to Serna on this point. Under the evidentiary rules, a positive assertion is generally entitled to more weight than a plain denial.

We note on this point that the obligation imposed by the mandatory reporting requirement under Section 20 (B) (3) of the 1996 POEA-SEC is not solely on the seafarer. It requires the employer to likewise act on the report, and in this sense partakes of the nature of a reciprocal obligation. Reciprocal obligations are those which arise from the same cause, and where each party is effectively a debtor and a creditor of the other, such that the obligation of one is dependent upon the obligation of the other. **While the mandatory reporting requirement obliges the seafarer to be present for the post-employment medical examination, which must be conducted within three (3) working days**

¹³ 765 Phil. 866 (2015).

¹⁴ 373 Phil. 635 (1999).

¹⁵ 700 Phil. 1 (2012).

upon the seafarer's return, it also poses the employer the implied obligation to conduct a meaningful and timely examination of the seafarer.

Using the foregoing as baseline, it could thus be concluded that, *first*, as between the Petitioner and the Private Respondents' contrasting claims, the Petitioner's positive assertion that he sought, but was refused, medical examination is entitled to more weight than the Private Respondents' bare denial and, *second*, the lack of a post-medical examination in this case cannot be used to defeat respondent's [Petitioner, in this case] claim since the failure to subject the seafarer to this requirement was not due to the seafarer's fault but to the inadvertence or deliberate refusal of petitioners [Private Respondents, in this case]. Needless to stress, the time-honored rule that, in controversies between a laborer and his employer, doubts reasonably arising from the evidence should be resolved in the former's favor in consonance with the avowed policy of the State to give maximum aid and protection to labor finds application at bench.

X X X X

WHEREFORE, the petition is **GRANTED**. The assailed dispositions are **REVERSED** and **SET ASIDE**. Accordingly, the Decision of the Labor Arbiter is **REINSTATED**. No costs.

SO ORDERED.¹⁶ (Emphases supplied.)

Maryville Manila moved for a reconsideration but was denied.¹⁷ Hence, this recourse. Maryville Manila argued that the CA erred in evaluating the parties' evidence in *certiorari* proceedings and insisted that Lloyd was neither repatriated for medical reason nor refused medical treatment.¹⁸

RULING

The petition is meritorious.

Foremost, we cannot fault the CA in reviewing the parties' evidence in *certiorari* proceedings. In labor cases, the CA is empowered to evaluate the materiality and significance of the evidence alleged to have been capriciously, whimsically, or arbitrarily disregarded by the NLRC in relation to all other evidence on record. The CA can grant the prerogative writ of *certiorari* when the factual findings complained of are not supported by the evidence on record; when it is necessary to prevent a substantial wrong or to do substantial justice; when the findings of the NLRC contradict those of the LA; and when necessary to arrive at a just decision of the case.¹⁹ To make this finding, the CA necessarily has to view the evidence to determine if the NLRC ruling had

¹⁶ *Rollo*, pp. 23-25.

¹⁷ *Id.* at 26-A-27.

¹⁸ *Id.* at 10-B-16-B.

¹⁹ *Paredes v. Feed the Children Philippines., Inc., et al.*, 769 Phil. 418, 434 (2015), citing *Univac Development, Inc. v. Soriano*, 711 Phil. 516, 525 (2013).



substantial basis.²⁰ Contrary to Maryville Manila's contention, the CA can examine the evidence of the parties since the factual findings of the NLRC and the LA are contradicting. Indeed, this Court has the same authority to sift through the factual findings of both the CA and the NLRC in the event of their conflict.²¹ This Court is not precluded from reviewing the factual issues when there are conflicting findings by the CA, the NLRC and the LA.²²

Here, we find that the CA erroneously concluded that Lloyd was medically repatriated and that Maryville Manila and Maryville Maritime have the burden to establish otherwise. The CA misread the rulings in *Baron* and *Barros* which involved cases for illegal dismissal. In *Baron*, the petitioners, who are taxi drivers, asserted that they were unceremoniously dismissed after they charged respondents of violating the collective bargaining agreement. The respondents did not refute such absence from work but averred that it was petitioners who abandoned their jobs. However, the theory of abandonment was unsubstantiated. In that case, we ruled that the Labor Code places upon the employer the burden of proving that the dismissal of an employee was for a valid or authorized cause. It does not distinguish whether the employer admits or does not admit the dismissal.²³ In *Barros*, the petitioner, a seafarer, claims illegal dismissal, recovery of salaries corresponding to the unexpired portion of his employment contract, repatriation expenses, unauthorized deductions and payments, damages and attorney's fees. In that case, we denied the private respondents' argument that the petitioner voluntarily terminated his employment on the claim that he himself requested repatriation. The private respondents did not dispute that petitioner was repatriated prior to the expiration of his employment contract. As such, it is incumbent upon the employer to prove that the petitioner was not dismissed, or if dismissed, that the dismissal was not illegal; otherwise, the dismissal would be unjustified.

Notably, Lloyd's cause of action is for total and permanent disability benefits and not illegal dismissal or pre-termination of his overseas employment contract. The fact that the petitioner in *Barros* is a seafarer like Lloyd and that voluntary repatriation was put in issue are immaterial. The rule on burden of proof in illegal dismissal cases cannot be unduly applied in proving whether a seafarer was repatriated for medical reasons. At any rate, Lloyd's claim that he was medically repatriated is an affirmative allegation and the burden of proof rests upon the party who asserts and not upon he who denies it. The nature of things is that one who denies a fact cannot produce any proof of it.²⁴ Admittedly, Lloyd failed to discharge this burden and did not present substantial evidence as to the cause of his repatriation.

²⁰ *Id.*, citing *Diamond Taxi, et al. v. Llamas, Jr.*, 729 Phil. 364, 376 (2014).

²¹ *Paredes v. Feed the Children Philippines, Inc., et al.*, 769 Phil. 418, 435 (2015), citing *Pepsi-Cola Products Philippines, Inc. v. Molon*, 704 Phil. 120 (2013).

²² *Id.*, citing *Plastimer Industrial Corporation, et al. v. Gopo, et al.*, 658 Phil. 627, 633 (2011).

²³ *Sevillana v. I.T. (International) Corp./Samir Maddah & Travellers Insurance & Surety Corp.*, 408 Phil. 570, 583-584 (2001).

²⁴ *Sambalilo, et al. v. Sps. Llarenas*, 811 Phil. 552, 568 (2017). See also *Princess Talent Center Production, Inc., et al. v. Masagca*, 829 Phil. 381 (2018).



Likewise, we observed that the CA heavily relied in *Career Philippines Shipmanagement, Inc.*, in ruling that Lloyd was refused medical treatment. In that case, the CA, the NLRC and the LA speak as one in their findings that the seafarer reported to the company-designated physician within three working days from arrival in the Philippines. Also, it discussed instances where the award of disability benefits was sustained even if the seafarer had been assessed by a personal physician, thus:

The labor arbiter, the NLRC, and the CA are one in finding that on July 14, 1999, **or two days after his repatriation**, Serna reported to the office of Career Phils. specifically to report his medical complaints, only to be told to wait for his referral to company-designated physicians. The referral came not on the following day, but nearly three (3) weeks after, on August 3, 1999.

We see no reason to disturb the lower tribunals' finding. x x x

x x x x

The petitioners failed to perform their obligation of providing timely medical examination, thus rendering meaningless Serna's compliance with the mandatory reporting requirement. With his July 14, 1999 visit, Serna clearly lived up to his end of the agreement; it was the petitioners who defaulted on theirs. They cannot now be heard to claim that Serna should forfeit the right to claim disability benefits under the POEA-SEC and their CBA.

The Court has in the past, *under unique circumstances*, sustained the award of disability benefits even if the seafarer's disability had been assessed by a personal physician. In *Philippine Transmarine Carriers, Inc. v. NLRC*, we affirmed the grant by the CA and by the NLRC of disability benefits to a claimant, based on the recommendation of a physician not designated by the employer. **The "claimant consulted a physician of his choice when the company-designated physician refused to examine him."** In *Cabuyoc v. Inter-Orient Navigation Shipmanagement, Inc.*, we reinstated the NLRC's decision, affirmatory of that of the labor arbiter, which awarded sickness wages to the petitioner therein even if his disability had been assessed by the Philippine General Hospital, not by a company-designated hospital. **Similar to the case at bar, the seafarer in Cabuyoc initially sought medical assistance from the respondent employer but it refused to extend him help.**²⁵ (Emphases supplied; citations omitted.)

Career Philippines Shipmanagement, Inc. is far different from Lloyd's case. Here, there is no unanimous and definite finding that Lloyd timely reported to the company-designated physician. The LA even brushed aside this issue and held that compliance with the reportorial requirement applies only to claims for sickness allowance and not to disability benefits. On the other hand, the NLRC found that Lloyd "*failed to substantiate his allegations that he sought respondent-appellants' help for his purported medical*

²⁵ *Career Philippines Shipmanagement, Inc., et al. v. Serna*, 700 Phil. 1, 14-16 (2012).



condition and that the same was refused."²⁶ On appeal, the CA ruled that Lloyd's "assertion that he sought, but was refused, medical examination is entitled to more weight than the Private Respondents' bare denial x x x."²⁷ In these circumstances, we agree with the NLRC that Lloyd did not report to the company-designated physician. Again, it is Lloyd who has the duty to establish his affirmative allegation that he submitted himself to post-medical examination after his repatriation. Nevertheless, Lloyd failed to present substantial evidence to prove this assertion. In contrast, Maryville Manila, which denies such allegation, has no burden to produce such proof.

Absent evidence of medical repatriation and refusal to give treatment, it can be reasonably deduced that Lloyd suffered illnesses after the term of his contract. To be sure, Lloyd consulted a clinical psychologist on February 12, 2013 or after almost six months from his repatriation on August 29, 2012. The psychologist declared Lloyd permanently unfit for further sea service. Thereafter, Lloyd filed a complaint for total and permanent disability benefits.

In resolving claims for disability benefits, it is imperative to integrate the Philippine Overseas Employment Administration-Standard Employment Contract (POEA-SEC) with every agreement between a seafarer and his employer.²⁸ Lloyd's latest employment contract with Maryville Manila and Maryville Maritime was executed on January, 10, 2012 and is covered by the 2010 Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships.²⁹ In *Ventis Maritime Corporation v. Salenga*,³⁰ we clarified that Section 20-A of the POEA-SEC is irrelevant if the seafarer did not suffer an illness or injury during the term of his contract. Rather, it is Section 32-A of the POEA-SEC which will apply if the illness manifests or is discovered after the term of the seafarer's contract, to wit:

[S]eafarer's complaints for disability benefits arise from (1) injury or illness that manifests or is discovered **during** the term of the seafarer's contract, which is usually while the seafarer is on board the vessel or (2) illness that manifests or is discovered **after** the contract, which is usually after the seafarer has disembarked from the vessel. **As further explained below, it is only in the first scenario that Section 20(A) of the POEA-SEC applies.**

X X X X

Accordingly, it was an error for the CA to rely on Section 20(A) of the POEA-SEC. Section 20(A) applies only if the seafarer suffers from an illness or injury **during the term of his contract**, *i.e.*, while he is employed. Section 20(A) of the POEA-SEC clearly states the parameters of its applicability:

²⁶ *Rollo*, p. 131.

²⁷ *Id.* at 24-B.

²⁸ *C.F. Sharp Crew Mgm't., Inc., et al. v. Legal Heirs of the late Godofredo Repiso*, 780 Phil. 645, 665-666 (2016).

²⁹ See POEA Memorandum Circular No. 10, Series of 2010, dated October 26, 2010.

³⁰ G.R. No. 238578, June 8, 2020.

SECTION 20. COMPENSATION AND BENEFITS. —**A. 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:

X X X X

Based on the foregoing, **if the seafarer suffers from an illness or injury during the term of the contract, the process in Section 20(A) applies.** The employer is obliged to continue to pay the seafarer's wages, and to cover the cost of treatment and medical repatriation, if needed. **After medical repatriation, the seafarer has the duty to report to the company-designated physician within three days upon his return.** The employer shall then pay sickness allowance while the seafarer is being treated. And thereafter, the dispute resolution mechanism with regard to the medical assessments of the company-designated, seafarer-appointed, and independent and third doctor, shall apply.

X X X X

In instances where the illness manifests itself or is discovered after the term of the seafarer's contract, the illness may either be (1) an occupational illness listed under Section 32-A of the POEA-SEC, in which case, it is categorized as a work-related illness if it complies with the conditions stated in Section 32-A, or (2) an illness not listed as an occupational illness under Section 32-A but is reasonably linked to the work of the seafarer.

For the first type, the POEA-SEC has clearly defined a work-related illness as "any sickness as a result of an occupational disease listed under Section 32-A of this Contract with the conditions set therein satisfied." What this means is that to be entitled to disability benefits, a seafarer must show compliance with the conditions under Section 32-A, as follows:

1. The seafarer's work must involve the risks described therein;
2. The disease was contracted as a result of the seafarer's exposure to the described risks;
3. The disease was contracted within a period of exposure and under such other factors necessary to contract it; and
4. There was no notorious negligence on the part of the seafarer.

As to the second type of illness — one that is **not listed as an occupational disease in Section 32-A** — *Magsaysay Maritime Services v. Laurel*, instructs that **the seafarer may still claim provided** that he suffered a disability occasioned by a disease contracted on account of or aggravated by working conditions. For this illness, "[i]t is sufficient that **there is a reasonable linkage between the disease suffered by the employee and his work** to lead a rational mind to conclude that his work may have contributed to the establishment or, *at the very least, aggravation of any*

pre-existing condition he might have had.” Operationalizing this, to prove this reasonable linkage, it is imperative that the seafarer must prove the requirements under Section 32-A: the risks involved in his work; his illness was contracted as a result of his exposure to the risks; the disease was contracted within a period of exposure and under such other factors necessary to contract it; and he was not notoriously negligent.

X X X X

More importantly, the rule applies that whoever claims entitlement to benefits provided by law should establish his right thereto by substantial evidence which is more than a mere scintilla; it is real and substantial, and not merely apparent. Further, while in compensation proceedings in particular, the test of proof is merely probability and not ultimate degree of certainty, the conclusions of the courts must still be based on real evidence and not just inferences and speculations. (Emphases supplied; citations omitted.)

In this case, Lloyd was diagnosed with “*Occupational Stress Disorder (Work-related); Hypomanic Mood Disorder, to consider; Bipolar Condition; R/O Schizophrenic Episode; and Post-traumatic Stress Disorder*”³¹ after the term of his contract. These conditions are not listed as occupational illnesses under Section 32-A of the POEA-SEC. As such, Lloyd is required to prove the reasonable link between his illnesses and nature of work. Lloyd must establish the risks involved in his work, his illnesses were contracted as a result of his exposure to the risks, the diseases were contracted within a period of exposure and under such other factors necessary to contract them, and he was not notoriously negligent. Yet, Lloyd failed to pass the reasonable linkage test.

In his complaint, Lloyd alleged that from December 11, 2010 to April 23, 2011; the Somali pirates held hostage M/V Renuar and its entire crew. However, the clinical psychologist reported a different date of piracy which transpired in February 2012, thus:

This is to certify that **LLOYD C. ESPINOSA**, x x x was seen and treated by the undersigned because of the following:

- NOI: Occupational Stress Disorder (Work-related);
Hypomanic Mood Disorder, to consider
Bipolar Condition;
R/O Schizophrenic Episode;
Posttraumatic Stress Disorder;
- DOI: On repeated and persistent episodes in a series of [e]xacerbations **after a traumatic incident in 2012;**
- TOI: Persistent episodes from aforesaid period;
- POI: **MV Renuar, that sailed from Brazil and was in the seas of Iran in February 2012 when sometime during aforesaid period above-named seaman and fellow seamen on board above-named ship were hostage [sic] by Somalian pirated; [sic] and**

³¹ *Supra* note 4.

incurring the following: History points out that from above-mentioned dates, above-named patient suffered the following signs and symptoms of palpitations, accompanied with chest pains and tachycardia; tremors, muscle tension, and tingling in the extremities; light-headedness and dizziness; upset stomach; feeling of weakness and fatigue; irritability; restlessness and feeling of being on edge; difficulty concentrating and feeling blank; and wakefulness or total lack of sleep. **The condition started when above-named patient and his co-seafarers suffered from punishments, including deprivation from food, water and liberty from Somalian pirates.** He was repatriated and had undergone treatment sessions with the undersigned for the following diagnosed conditions. x x x³² (Emphases supplied.)

At any rate, there is no substantial evidence on the link between Lloyd's supposed illnesses and nature of work. Foremost, piracy is a risk confronting all seafarers while in voyage, but the clinical report only made general statements on punishments and deprivation of food, water and liberty. The relationship of the risk and the diseases was not fairly established. There was no proof or explanation as to how Lloyd acquired the illnesses as a result of the hostage incident. The psychologists hastily concluded that Lloyd's conditions started after the piracy. Moreover, Lloyd's actions after the hostage incident are incompatible with the clinical psychologist's findings. Lloyd was repatriated from M/V Renuar on May 5, 2011 but he applied again and was deployed on January, 10, 2012 on board M/V Iron Manolis. There is no indication, during the intervening period of eight months from repatriation to deployment, that Lloyd experienced any sign of the alleged diseases. In fact, Lloyd passed the pre-employment medical examination and was cleared for re-employment. Lloyd even claimed that he "*more than fully and ably discharged his duties and responsibilities expected of him on board the vessel.*"³³ Verily, it would be improbable for Lloyd to properly perform his tasks as he claims if he had palpitations, chest pains, tremors, muscle tension, dizziness, upset stomach, fatigue, irritability, restlessness and total lack of sleep. Quite the contrary, these symptoms were belied since Lloyd lasted for seven months in M/V Iron Manolis.

All told, Lloyd is not entitled to total and permanent disability benefits for failure to prove that he was repatriated for medical reasons and that a reasonable link exists between his illnesses and nature of work. Absent substantial evidence as reasonable basis, this Court is left with no choice but to deny Lloyd's claim for disability benefits, lest an injustice be caused to his employer. The award of compensation and disability benefits cannot rest on speculations, presumptions and conjectures.³⁴ Although labor contracts are impressed with public interest and the provisions of the POEA-SEC must be construed logically and liberally in favor of Filipino seamen in the pursuit of their employment on board ocean-going vessels, still the rule is that justice is

³² *Rollo*, pp. 42-B-43-B.

³³ *Id.* at 49.

³⁴ *Andrada v. Agemar Manning Agency, Inc., et al.*, 698 Phil. 170, 184 (2012). See also *Loadstar International Shipping, Inc. v. Yamson, et al.*, 830 Phil. 731, 746 (2018).

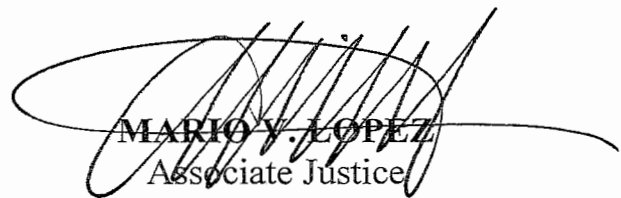


in every case for the deserving, to be dispensed with in the light of established facts, the applicable law, and existing jurisprudence.³⁵

In a number of cases, this Court granted financial assistance to separated employees for humanitarian reason and compassionate justice.³⁶ Taking into consideration the factual circumstances obtaining in this case, and the fact that Lloyd, in his own little way, has devoted his efforts to further Maryville Manila and Maryville Maritime's endeavors, we deem it proper to grant ₱100,000.00 as financial assistance.

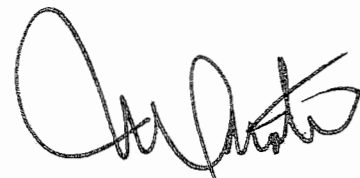
FOR THESE REASONS, the petition is **GRANTED**. The Court of Appeal's Decision dated September 1, 2016 in CA-G.R. SP No. 138222 is **REVERSED** and **SET ASIDE**. The Decision dated August 29, 2014 of the National Labor Relations Commission is **REINSTATED** with **MODIFICATION** in that Maryville Manila, Inc. is ordered to pay Lloyd Espinosa the amount of ₱100,000.00 as financial assistance.

SO ORDERED.

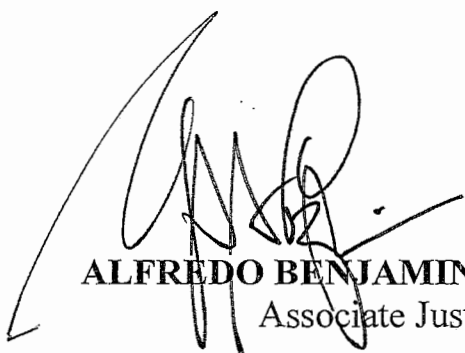


MARIO V. LOPEZ
Associate Justice

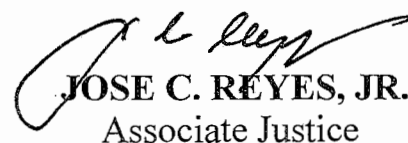
WE CONCUR:



DIOSDADO M. PERALTA
Chief Justice
Chairperson



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



JOSE C. REYES, JR.
Associate Justice

³⁵ *Auza, Jr., et al. v. MOL Phils, Inc., et al.*, 699 Phil. 62, 67 (2012), citing *Sime Darby Pilipinas, Inc. v. National Labor Relations Commission (2nd Div.)*, 351 Phil. 1013, 1020 (1998).


³⁶ *In Panganiban v. TARA Trading Shipmanagement, Inc., et al.*, 647 Phil. 675 (2010), this Court affirmed the award of ₱50,000.00 financial assistance. In *Villaruel v. Yeo Han Guan*, 665 Phil. 212, 221 (2011), this Court granted financial assistance of ₱50,000.00. In *Loadstar International Shipping, Inc. v. Yamson, et al.*, *supra* note 34, this Court awarded ₱75,000.00 financial assistance. In *Eastern Shipping Lines, Inc. v. Antonio*, 618 Phil. 601, 614-615 (2009), this Court gave financial assistance of ₱100,000.00.



AMY C. LAZARO-JAVIER
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.



DIOSDADO M. PERALTA
Chief Justice