



SUPREME COURT OF THE PHILIPPINES
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Republic of the Philippines
Supreme Court
Manila

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FIRST DIVISION

JULIE FUENTES RESURRECCION, G.R. No. 250085
Petitioner,

Present:

- versus -

GESMUNDO, C.J.,
Chairperson,
CAGUIOA,
CARANDANG,
ZALAMEDA, and
GAERLAN, JJ.

**SOUTHFIELD AGENCIES, INC.,
BRIGHTNIGHT SHIPPING &
INVESTMENT LTD. AND/OR
ARLENE BAUTISTA,**

Promulgated:

Respondents.

JUN 14 2021

[Signature]

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DECISION

CARANDANG, J.:

This is a Petition for Review on *Certiorari*¹ filed by Julie Fuentes Resurreccion (petitioner) assailing the Decision² dated October 24, 2018 and the Resolution³ dated October 18, 2019 of the Court of Appeals (CA) in CA-G.R. SP No. 150984. The CA affirmed the ruling of the National Labor Relations Commission (NLRC), which dismissed petitioner's complaint for total and permanent disability benefits, sickness allowance, and payment for moral and exemplary damages and attorney's fees (complaint).

On November 27, 2015, Southfield Agencies, Inc. (Southfield), for and in behalf of its foreign principal Brightnight Shipping & Investment, Ltd. (Brightnight) hired petitioner as a Third Engineer on board M/V Eco Spitfire.⁴ On November 30, 2015, petitioner boarded the vessel and started his work.

¹ Rollo, pp. 9-23.

² Penned by Associate Justice Carmelita Salandanan Manahan, with the concurrence of Associate Justices Mario V. Lopez (now a Member of this Court) and Gabriel T. Robeniol; id at 176-189.

³ Penned by Associate Justice Mario V. Lopez (now a Member of this Court), with the concurrence of Associate Justices Dante Q. Bueser and Gabriel T. Robeniol; id. at 216-218.

⁴ Id at 53.

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However, on January 12, 2016, he complained of yellow discoloration of his eyes and skin. Thereafter, he was referred to a medical facility in Egypt. Since his symptoms persisted, he was medically repatriated to the Philippines on February 5, 2016. Upon arrival in the Philippines, petitioner was referred to the company-designated physician at the NGC Medical Specialist Clinic (NGC). Thereafter, he was admitted at the Manila Doctors Hospital where he was seen by a gastroenterologist. He was diagnosed with Liver Cirrhosis with Jaundice and Massive Ascites. On February 16, 2006, the company-designated physician issued an assessment, finding petitioner's illness not work-related.⁵

On July 28, 2016, petitioner went to an independent physician, Dr. Radentor R. Viernes (Dr. Viernes), who issued a medical certificate finding his illness work-related and/or work-aggravated as well as declaring him permanently and totally unfit to return to work as a seaman. Dr. Viernes' medical opinion stated:

Based on my evaluation, the illness of Mr. Resurreccion is work-related and/or aggravated. The nature of his work as a seaman on-board the vessel contributed mainly to the development and aggravation of his medical condition. The possibility of Mr. Resurreccion's re-deployment after developing, through resolved and managed, Obstructive Jaundice Secondary to Cholelithiasis, may have aggravated and/or triggered his otherwise subclinical Liver Cirrhosis to be symptomatic and full blown with massive Ascites while onboard the vessel for the period covering November 2015 to February 2016.

Mr. Resurreccion is now permanently and totally UNFIT to return to work as a seaman due to his medical condition.⁶

On September 9, 2016, petitioner filed the Complaint⁷ against Brightnight, Southfield, and its officer Arlene Bautista (Bautista; collectively respondents).

In his Position Paper,⁸ petitioner claimed that he had been working as a Third Engineer for respondents since 2009. When he first applied for, and was engaged by respondents, he was deemed fit for sea duty. However, in March 2015, he was medically repatriated due to Obstructive Jaundice Secondary to Cholelithiasis (first illness). On March 30, 2015, he underwent Laparoscopic Cholecystectomy and was deemed fit to work after eight months of treatment. Thus, he was redeployed on November 28, 2015. When he was again medically repatriated on February 5, 2016, respondents only provided medical assistance during the first month of his repatriation. Thus, he was constrained to spend for his own medical expenses. He argued that his

⁵ Id. at 177.

⁶ Id. at 232.

⁷ Id. at 28-29.

⁸ Id. at 30-35.

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illnesses are interrelated and that his latest illness, Liver Cirrhosis with Jaundice and Massive Ascites, was aggravated by his first illness as well as the nature of his work on board the vessel as shown by the medical opinion of Dr. Viernes. He claimed that he is now very fragile and cannot anymore return to work as a seaman. He asked the Labor Arbiter (LA) to hold respondents solidarily liable for the payment of: (1) total and permanent disability benefits in the amount of US\$129,212.00 in accordance with the Collective Bargaining Agreement of PNO/Stealth IBF; (2) salaries and medical expenses for a period of 120 days from date of repatriation; (3) damages in the amount of ₱500,000.00; and (4) attorney's fees equivalent to 10% of the monetary award.⁹

In their Position Paper,¹⁰ respondents countered that petitioner is not entitled to permanent and total disability benefits because as per the assessment of the company-designated physician his illness was not work-related, to wit:

Liver Cirrhosis is the destruction of normal liver tissue that leaves non-functioning scar tissue surrounding areas of functioning liver tissue. Many people with cirrhosis have no symptoms and appear to be well for years. Others are weak, have poor appetite, feel sick and lose weight. If the flow of bile is chronically obstructed, the person develops jaundice. Ascites is a complication of cirrhosis. The most common causes are chronic hepatitis and alcohol abuse. It is nor (*sic*) work related.¹¹

Respondents maintained that Liver Cirrhosis is not among the listed occupational diseases under Section 32-A of the 2010 Philippine Overseas Employment Authority Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels (POEA-SEC). They insisted that petitioner failed to establish by substantial evidence that the working conditions in the vessel caused or exacerbated his illness.¹² They dealt with petitioner in good faith and gave him more than what he was entitled under the law. Thus, he had no factual and legal basis to claim damages and attorney's fees.¹³ Lastly, respondents alleged that Bautista should be dropped as a party respondent in the case since the company has a personality separate and distinct from its shareholders and officers.¹⁴

Ruling of the Labor Arbiter

In his Decision¹⁵ dated December 8, 2016, the LA dismissed the complaint for lack of factual and/or legal basis. However, based on equity and compassionate justice, the LA directed Southfield and Brightnight to pay

⁹ Id. at 32-35.

¹⁰ Id. at 37-50.

¹¹ CA *rollo*, p. 12.

¹² *Rollo*, pp. 41-45.

¹³ Id. ay 46-47.

¹⁴ Id. at 48.

¹⁵ Penned by LA Julio R. Gayaman; id. at 87-93.

petitioner ₱60,000.00 as financial assistance or ₱10,000.00 a year for his more than six years of unblemished service record to respondents.¹⁶

The LA ruled that under Section 20(A)(4) of the 2010 POEA-SEC, Liver Cirrhosis is disputably presumed to be work-related because it is not among the listed occupational diseases under Section 32-A. This presumption, notwithstanding, a seafarer has the obligation to prove his claim for disability compensation by substantial evidence. This, petitioner failed to do. While petitioner presented the medical certificate issued by Dr. Viernes, the latter's findings is not supported by concrete evidence. It merely stated that the nature of petitioner's work as a seaman on board the vessel contributed mainly to the development and aggravation of his medical condition, but as to why the nature of his work caused or aggravated is illness is unclear. Petitioner failed to establish the risks of his work that could have caused, or the very least, contributed to his Liver Cirrhosis.¹⁷

More, the LA held that there was no proof that petitioner's erstwhile illness, Obstructive Jaundice Secondary to Choledocholithiasis, was work-related or work-aggravated. Petitioner admitted that he was cleared of his previous illness and was even re-deployed. Thus, his argument that his current illness is just a continuation of his previous ailment is far-fetched.¹⁸

Petitioner appealed to the NLRC.

Ruling of the National Labor Relations Commission

In its Resolution¹⁹ dated January 30, 2017, the NLRC affirmed the LA and dismissed the complaint for lack of merit.

The NLRC ruled that petitioner failed to satisfy the four conditions stated in Section 32-A of the POEA-SEC for an illness to be compensable. It explained that Dr. Viernes' finding that petitioner's illness was work-related was anchored on the presumption that his prior illness, Obstructive Jaundice Secondary to Choledocholithiasis, may have aggravated or triggered his otherwise subclinical Liver Cirrhosis. However, the record is bereft of evidence that complainant's Obstructive Jaundice Secondary to Choledocholithiasis was assessed as work-related. Also, it was undisputed that petitioner was cleared from it and was certified fit for sea duty. Since there was no categorical proof that petitioner's previous illness was work-related, its causal connection to his present illness cannot be concluded based on presumption. Finding that there is no contrary evidence to overturn the assessment of the company-designated physician, the NLRC held that petitioner is not entitled to permanent and total disability benefits.²⁰

¹⁶ Id. at 92.

¹⁷ Id. at 91.

¹⁸ Id.

¹⁹ Id. at 104-111.

²⁰ Id. at 109.

Meanwhile, the NLRC ruled that petitioner is entitled to sickness allowance and reimbursement of medical expenses until February 16, 2016, when the company-designated physician issued his assessment that the petitioner's illness was not work-related. However, since petitioner admitted that he was able to get medical assistance for the first month after his repatriation, he is considered already paid of his sickness allowance and medical expenses.²¹

Petitioner moved for reconsideration but the NLRC denied it in its Resolution²² dated March 29, 2017. He elevated the case to the CA *via* a petition for *certiorari*.

Ruling of the Court of Appeals

In its Decision²³ dated October 24, 2018, the CA affirmed the ruling of the NLRC.

Citing relevant case law, the CA noted that the presumption provided under Section 20(B)(4) of the POEA-SEC is limited only to work-relatedness of an illness. It does not cover and extend to compensability. Compensability pertains to the entitlement to receive compensation and benefits upon a showing that the seafarer's work conditions caused or at least increased the risk of contracting the disease. Thus, Section 20(B)(4) must be read together with the requirements specified in Section 32-A of the POEA-SEC which provides for the conditions for compensability.²⁴

The CA held that petitioner failed to prove the causal link between his work as Third Engineer and his illness. Aside from petitioner's bare assertions, he did not present evidence visibly demonstrating that the working conditions on board the vessel caused or aggravated his illness. The CA ruled that it is speculative to conclude that the nature of his work, alleged harmful exposure to chemicals, fumes, carbon dioxide, carbon monoxide, extreme engine heat, harmful engine oils, and other chemicals harmful to human health may have caused, aggravated, or contributed to his Liver Cirrhosis.²⁵ Accordingly, it declared that the NLRC did not commit grave abuse of discretion in finding that petitioner failed to prove the conditions for compensability.²⁶

Petitioner moved for reconsideration which the CA denied in its Resolution²⁷ dated October 18, 2019. Undaunted, he filed the present petition for review on *certiorari* before Us.

²¹ Id. at 110.

²² Id. at 122-123.

²³ *Supra* note 2.

²⁴ Rollo, pp. 185-186.

²⁵ Id. at 184.

²⁶ Id. at 187.

²⁷ *Supra* note 3.

Petitioner faulted the CA for ruling that there is no reasonable causal connection between his illness and his work as a Third Engineer. He enumerated his duties as a Third Engineer and maintained that they are burdensome, strenuous, and stressful. He averred that respondents did not deny that he was medically repatriated in March 2015 on the diagnosis of Obstructive Jaundice Secondary to Cholelithiasis. He was subjected to medical treatment for eight months or until the early part of November 2015. He was immediately re-deployed on November 28, 2015 or a little less than one month after his treatment.²⁸ He furthermore alleged that respondents did not dispute that he was exposed to harmful chemicals, fumes, carbon dioxide, carbon monoxides, extreme engine heat, harmful engine oils and other chemicals harmful to human health.²⁹

Petitioner insisted that his length of service of almost nine years from March 2009-February 3, 2016 on board respondents' ships and the stressful and unhealthy conditions thereat contributed to or aggravated the development of his illness.³⁰

Petitioner referred to NLRC LAC (OFW-M-03-000268-14) titled *Cesar Loayon Villar, Jr. v. OSM Maritime Services, Inc., et. al.*, where allegedly NLRC Commissioner Gregorio Bilog III (the *ponente* of the NLRC ruling against petitioner) found that liver cancer is work-related/work-aggravated, hence compensable. Petitioner alleged that he could not see any reason why Commissioner Bilog ruled differently in his case. He believed that this was an example of selective justice. He thus prayed for the reversal of the CA Decision and the award of US\$60,000.00 as total and permanent disability benefits.³¹

In their Comment,³² respondents argued that the petition should be dismissed outright for raising questions of fact. They also maintained that the CA did not err in ruling that petitioner failed to prove that his illness was work-related. Since there was no bad faith on their part in denying petitioner's claim for disability benefits, they cannot be liable for damages and attorney's fees to petitioner.

Issue

The issue in this case is whether petitioner is entitled to total and permanent disability benefits.

Ruling of the Court

We grant the petition.

²⁸ *Rollo*, p. 16.

²⁹ *Id.* at 17.

³⁰ *Id.* at 18.

³¹ *Id.* at 18-23.

³² *Id.* at 268-290.

At the outset, the issue of whether petitioner's illness is compensable is a factual issue, which is not a proper subject of a Rule 45 petition. Petition for review on *certiorari* deals only with pure questions of law. However, this admits of exceptions, such as in this case, when the CA manifestly overlooked certain relevant facts not disputed by the parties, which if properly considered, would justify a different conclusion.³³

Liver Cirrhosis is work-related thus compensable

For disability to be compensable under Section 20(A) of the 2010 POEA-SEC, the law governing the employment contract of petitioner, two elements must concur: (1) the injury or illness must be work-related; and (2) the work-related injury or illness must have existed during the term of the seafarer's employment contract.³⁴ Work-related illness refers to "any sickness as a result of an occupational disease listed under Section 32-A of the POEA-SEC with the conditions set therein satisfied."³⁵ For non-listed illnesses, Section 20(A)(4) of the POEA-SEC created a disputable presumption of work-relatedness in favor of the seafarer. It is incumbent upon the employer to overcome the presumption through substantial evidence. Otherwise, the presumption stands.³⁶ Notably, regardless of whether the work-relatedness of the illness is disputed by the employer, the seafarer will, in all instances, have to prove compliance with the conditions for compensability³⁷ under Section 32-A, to wit:

SECTION 32-A. OCCUPATIONAL DISEASES. –

For an occupational disease and the resulting disability or death to be compensable, all of the following conditions must be satisfied:

1. The seafarer's work must involve the risks described herein;
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;
4. There was no notorious negligence on the part of the seafarer.

Case law teaches that the abovementioned conditions also apply to non-listed illnesses given that: (1) the legal presumption under Section 20(B)(4) accorded to the latter is limited only to "work-relatedness;" and (2) for its compensability, a reasonable connection between the nature of work on board the vessel and the illness contracted or aggravated must be shown.³⁸

In this case, We find that petitioner's illness, Liver Cirrhosis with Jaundice and Massive Ascites, is compensable as it is work-connected.

³³ *Magat v. Interiorient Maritime Enterprises, Inc.*, 829 Phil. 570, 579 (2018).

³⁴ *Malicdem v. Asia Bulk Transport Phils., Inc.*, G.R. No. 224753, June 19, 2019.

³⁵ See No. 16 of the Definition of Terms of the 2010 POEA-SEC.

³⁶ *Racelis v. United Philippine Lines, Inc.*, 746 Phil. 758 (2014).

³⁷ *Romana v. Magsaysay Maritime Corp.*, 816 Phil. 194, 2010 (2017).

³⁸ *Rosales v. Singa Ship Management Phils., Inc.*, G.R. No. 234914, February 19, 2020.

Liver Cirrhosis is not among the occupational diseases listed under Section 32 of the POEA-SEC. Thus, it is disputably presumed to be work-related. Respondents beg to differ, citing the assessment of their company-designated physician that Liver Cirrhosis is not work-related because the common causes are chronic hepatitis and alcohol abuse. However, for compensability, it is not necessary that the nature of the employment be the sole and only reason for the illness suffered by the seafarer. It is sufficient that there is a reasonable linkage between the disease suffered by the employee and his/her work to lead a rational mind to conclude that his/her work may have contributed to the establishment or, at the very least, aggravation of any pre-existing condition he/she might have had.³⁹ Direct causal relation is not required. Hence, probability, not the ultimate degree of certainty, is the test of proof in compensation proceedings.⁴⁰

Liver Cirrhosis is the consequence of sustained wound healing in response to chronic liver injury. Approximately 40% of cirrhotic patient are asymptomatic, but progressive deterioration leading to the need for liver transplantation or death is typical after the development of end-stage liver disease. The clinical manifestations associated with cirrhosis include fatigue, anorexia, weight loss, jaundice, abdominal pain, peripheral edema, ascites, GI bleeding, and hepatic encephalopathy. Liver cirrhosis results from a wide range of disease processes, including viral, autoimmune, drug-induced, cholestatic, and metabolic diseases and toxins.⁴¹ Also, fatty liver due to underlying disorders such as obesity, diabetes, and alcohol abuse commonly progresses to cirrhosis. Cirrhosis is the final stage attained by chronic liver diseases after years or decades of slow progression.⁴²

In this case, it is highly probable that petitioner contracted Liver Cirrhosis during his almost seven years of service with the respondents. The record shows that petitioner had been working as a Third Engineer for respondents from March 29, 2009 until February 5, 2016. His career spans nine contracts.⁴³ Petitioner was in good health when he was first engaged by respondents in 2009. However, in March 2015 or during his 8th contract, he was medically repatriated for Obstructive Jaundice Secondary to Choledocholithiasis.⁴⁴ He underwent Laparoscopic Cholecystectomy to manage his illness. He was deemed fit to work after eight months of treatment and was redeployed on November 28, 2015. On January 12, 2016 or during the existence of his last contract with respondents, petitioner was again

³⁹ *Castillon v. Magsaysay Mitsui Osk Marine, Inc.*, G.R. No. 234711, March 2, 2020, citing *Magsaysay Maritime Services v. Laurel*, 707 Phil. 210 (2017).

⁴⁰ *Skippers United Pacific, Inc. v. Lagne*, G.R. No. 217036, August 20, 2018, citing *De Leon v. Maunlad Trans., Inc.*, 805 Phil. 531 (2017)

⁴¹ Shwartz's Principles of Surgery, Tenth Edition, pp. 1277-1279.

⁴² Wiegand, J., & Berg, T. (2013). The etiology, diagnosis and prevention of liver cirrhosis: part 1 of a series on liver cirrhosis. *Deutsches Arzteblatt international*, 110(6), 85–91. <<https://doi.org/10.3238/arztebl.2013.0085>> accessed on April 12, 2021.

⁴³ See Employment Certification; *rollo*, p. 225.

⁴⁴ Choledocholithiasis is the presence of stones within the common bile duct. McNicoll CF, Pastorino A, Farooq U, et al. Choledocholithiasis. [Updated 2020 Jun 18]. In: StatPearls [Internet]. Treasure Island (FL): StatPearls Publishing; 2021 Jan-. last accessed on April 15, 2021, <https://www.ncbi.nlm.nih.gov/books/NBK441961>.

medically repatriated after he complained of yellow discoloration of his eyes and skin or jaundice and right upper quadrant abdominal pain,⁴⁵ which are symptoms of Liver Cirrhosis, and incidentally, the same complains he had when he was medically repatriated due to his first illness. Since the symptoms of Liver Cirrhosis manifested on board the vessel, it logically follows that petitioner's working conditions contributed to or aggravated his illness.⁴⁶

Respondents did not dispute that petitioner's duties as Third Engineer are stressful and strenuous, which are:

- a. Acts as understudy of the Second Engineer;
- b. Performs sea and port watchkeeping;
- c. Maintains the Boiler and performs Cooler Water Test;
- d. Monitors all pump lines, provision reefer, emergency pump lines and ship's spare and stores;
- e. Reports to the upkeep of the steam boiler and associated auxiliaries, refrigerating equipment and other machinery assigned by the Chief Engineer. He shall report to the Chief Engineer any problem observed in the handling of the said equipment;
- f. Manage fuel consumption;
- g. Custodian of engine logbook and other engineering records;
- h. Performs such other functions as may be assigned by the second engineer.⁴⁷

Further, respondents did not also dispute that petitioner was exposed to harmful chemicals, fumes, carbon dioxide, carbon monoxides, extreme engine heat, harmful engine oils and other chemicals harmful to human health as well as poor dietary provisions on board the vessel. These factors contributed and/or increased the risk of petitioner's contracting of the disease. Indeed, Liver Cirrhosis does not develop overnight but is a progressive disease, developing slowly through continuous damage to the liver.

In *San Valentin v. Employees Compensation Commission*,⁴⁸ We held that it is not too far-fetched that the deceased employee's liver cirrhosis developed due to the chemicals used in the nursery farms where he was assigned. The frequent exposure of the deceased to plant chemicals and insecticide affected his health. The exposure resulted to the lowering of his body resistance, for it is undisputed that he was in good health when he entered the government service. Thus, his illness was compensable as the risk of contracting it was increased by his working conditions.

In *Paringit v. Global Gateway Crewing Services, Inc.*,⁴⁹ We quoted the findings of the Labor Arbiter that the unhealthy lifestyle, diet, and working

⁴⁵ See Medical Report dated February 6, 2016, rollo, p. 57.

⁴⁶ See *Corcoro, Jr. v. Magsaysay Mol Marine, Inc.*, G.R. No. 226779, August 24, 2020.

⁴⁷ Rollo, pp. 15-16.

⁴⁸ 203 Phil. 534 (1982).

⁴⁹ G.R. No. 217123, February 6, 2019.

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conditions on-board ocean going vessels are sufficient factors that make a person ill, to wit:

This Office takes judicial notice that ocean going vessels are in the high seas for a considerable length of time and that the seafarers on board are not free to choose their diet as they must content with the provisions on board which are usually frozen, preserved, smoked, salted and canned meats and vegetable products as these foods are not easily perishable while fresh fruits and vegetables cannot last long in the high seas. Therefore, with this kind of diet plus the stress of the job on board if only to keep the safety of the vessel, its crew and cargoes have their toll even upon a healthy person. Seafarers have to brave storms, typhoons and high waves during the vessel's journey plus the sudden change of climate and temperature as the vessel crossed territories. These are the factors sufficient to make a person ill.⁵⁰

Moreover, even if petitioner contracted Liver Cirrhosis prior to his employment with respondents, this would not deprive him of compensation benefits. What matters is that his work contributed, even in a small degree, to the development of the disease. It is also not necessary, in order to recover compensation, that the seafarer must have been in perfect health at the time he contracted the disease. Under the theory of increased risk, a worker brings with him/her possible infirmities in the course of his/her employment, and while the employer is not the insurer of the health of the employees, he/she takes them as he/she finds them and assumes the risk of liability.⁵¹ This is so, because of his immediate deployment on November 15, 2015 after his repatriation because of a related illness affecting his liver in February 2015 for which he had undergone treatment for eight months.

Petitioner is entitled to permanent and total disability benefits

The rules governing claims for permanent and total disability are as follows:

- 1. The company-designated physician must issue a final medical assessment on the seafarer's disability grading within a period of 120 days from the time the seafarer reported to him;**
- 2. If the company-designated physician fails to give his assessment within the period of 120 days, without any justifiable reason, then the seafarer's disability becomes permanent and total;**
3. If the company-designated physician fails to give his assessment within the period of 120 days with a sufficient justification (*e.g.*, seafarer required further medical treatment or seafarer was uncooperative), then the period of diagnosis and treatment shall be extended to 240 days. The

⁵⁰ Id.

⁵¹ See *Skippers United Pacific, Inc. v. Lagne*, G.R. No. 217036, August 20, 2018, citing *Seagull Shipmanagement and Transport, Inc., v. NLRC*, 388 Phil. 906, 914 (2000).

employer has the burden to prove that the company-designated physician has sufficient justification to extend the period; and

4. If the company-designated physician still fails to give his assessment within the extended period of 240 days, then the seafarer's disability becomes permanent and total, regardless of any justification.⁵²

In this case, the company-designated physician issued a “not work-related assessment” to petitioner on February 16, 2016 or within the 120-day period. However, this is not the final assessment contemplated under the rules stated above. In *Corcoro, Jr. v. Magsaysay Mol Marine, Inc.*,⁵³ We held that a final, conclusive, and definite assessment must clearly state whether the seafarer is fit to work or the exact disability rating, or whether such illness is work-related, and without any further condition or treatment. It should no longer require any further action on the part of the company-designated physician, and it is issued by the company-designated physician after he or she has exhausted all possible treatment options within the periods mandated by law. Even with the assessment stating that the illness is not work-related, the company-designated physician is bound to timely issue a fit to work assessment or disability grading.

Here, petitioner reported to the company-designated physician for medical treatment on February 6, 2016. Until the filing of the complaint on September 9, 2016 or 218 days after, the company-designated physician did not issue a final, conclusive, and definite assessment of petitioner’s medical condition without any justifiable reason. Thus, the law considers petitioner’s disability as permanent and total.

In addition, petitioner is entitled to sickness allowance because the company-designated physician failed to make a final diagnosis of his illness. Section 20(A)(3) of the POEA-SEC reads:

Section 20. COMPENSATION AND BENEFITS. –
A. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS

x x x x

3) In addition to the above obligation of the employer to provide medical attention, the seafarer shall also receive sickness allowance from his employer in an amount equivalent to his basic wage computed from the time he signed off until he is declared fit to work or the degree of disability has been assessed by the company-designated physician. The period within which the seafarer shall be entitled to his sickness allowance shall not exceed 120 days. Payment of the sickness allowance shall be made on a regular basis, but not less than once a month.

⁵² *Rosales v. Singa Ship Management Phils., Inc.*, G.R. No. 234914, February 19, 2020, citing *Talaroc v. Arpaphil Shipping Corp.* 817 Phil. 598, 612 (2017).

⁵³ G.R. No. 226779, August 24, 2020.

Nevertheless, We note petitioner's admission that he was able to get medical assistance from respondents for the first month of his repatriation. Therefore, he is only entitled to sickness allowance for 90 days. We delete the financial assistance of ₱60,000.00 given because of the denial of disability benefits. More, under Article 2208 of the Civil Code, petitioner is entitled to recover attorney's fees equivalent to 10% of the total award since he was forced to litigate and incur expenses to protect his rights and interests. The monetary awards shall be subject to legal interest at the rate of 6% *per annum* from the date of the finality of this decision until full payment.⁵⁴

As regards the liability of Bautista, suffice it to state that under Section 10⁵⁵ of Republic Act No. 8042, as amended by Republic Act No. 10022, the corporate directors, officers, and partners of the recruitment/placement agency is held solidarily liable with the corporation or partnership for the money claims arising out of a contract involving Filipino workers for overseas deployment. Per respondents' Position Paper before the LA, Bautista is an officer of Southfield, hence she is solidarily liable in the payment of petitioner's monetary award.

WHEREFORE, the petition is **GRANTED**. The Decision dated October 24, 2018 and the Resolution dated October 18, 2019 of the Court of Appeals in CA-G.R. SP No. 150984 are **REVERSED** and **SET ASIDE**. Respondent Southfield Agencies, Inc., Brightnight Shipping & Investment Ltd. and Arlene Bautista are hereby **ORDERED** to jointly and solidarily pay petitioner Julie Fuentes Resurreccion US\$60,000.00 or its peso equivalent representing his disability benefit under the Philippine Overseas Employment Administration-Standard Employment Contract, sickness allowance equivalent to his basic wage equivalent to ninety (90) days, and ten percent (10%) attorney's fees. The financial assistance in the amount of ₱60,000.00 awarded by the Labor Arbiter is deleted. The total monetary award shall be subject to a legal interest at the rate of six percent (6%) *per annum* to be reckoned from the finality of this Decision until full satisfaction.

⁵⁴ *Chan v. Magsaysay Maritime Corp*, G.R. No. 239055, March 11, 2020.

⁵⁵ Section 7. Section 10 of Republic Act No. 8042, as amended, is hereby amended to read as follows:


Section. 10. *Money Claims*. – Notwithstanding any provision of law to the contrary, the Labor Arbiters of the National Labor Relations Commission (NLRC) shall have the original and exclusive jurisdiction to hear and decide, within ninety (90) calendar days after the filing of the complaint, the claims arising out of an employer-employee relationship or by virtue of any law or contract involving Filipino workers for overseas deployment including claims for actual, moral, exemplary and other forms of damages. Consistent with this mandate, the NLRC shall endeavor to update and keep abreast with the developments in the global services industry.

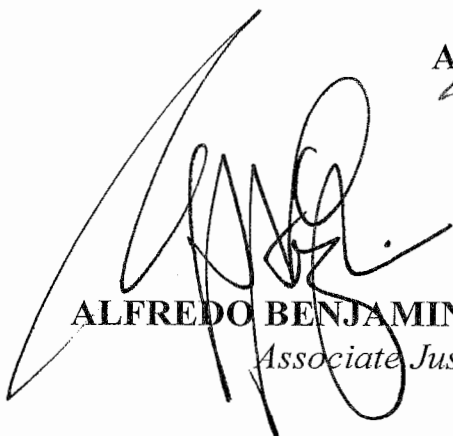
The liability of the principal/employer and the recruitment/placement agency for any and all claims under this section shall be joint and several. This provision shall be incorporated in the contract for overseas employment and shall be a condition precedent for its approval. The performance bond to be filed by the recruitment/placement agency, as provided by law, shall be answerable for all money claims or damages that may be awarded to the workers. **If the recruitment/placement agency is a juridical being, the corporate officers and directors and partners as the case may be, shall themselves be jointly and solidarily liable with the corporation or partnership for the aforesaid claims and damages** (Emphasis supplied).

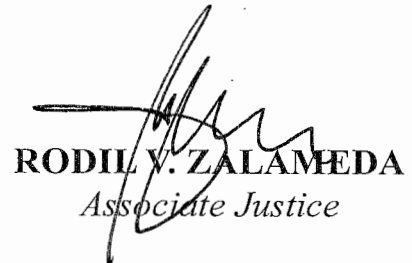
SO ORDERED.

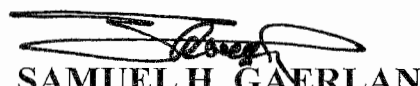

ROSMARI D. CARANDANG
Associate Justice

WE CONCUR:


ALEXANDER G. GESMUNDO
Chief Justice


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice


RODIL V. ZALAMEDA
Associate Justice


SAMUEL H. GAERLAN
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.


ALEXANDER G. GESMUNDO
Chief Justice

