



Republic of the Philippines
Supreme Court
Manila

SPECIAL FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Special First Division, issued a Resolution dated July 6, 2022 which reads as follows:

“G.R. No. 224863 (*Susan Co Dela Fuente v. Fortune Life Insurance Co., Inc.*). – For resolution is the Motion for Reconsideration filed by respondent Fortune Life Insurance Co., Inc. (Fortune Life) assailing the Decision¹ of the Court dated December 2, 2020.

Petitioner Susan Co Dela Fuente (Susan) is an investor in Reuben Protacio’s (Reuben) lending business. Reuben applied for a life insurance with Fortune Life in the amount of ₱15,000,000.00. He designated Susan as the revocable beneficiary. The insurance policy issued on March 25, 2011 provides for the following: (a) the pertinent provisions of the Insurance Code shall apply in case of death of the insured by self-destruction within two years from the policy date. The insurer shall refund the premiums actually paid less indebtedness; and (b) where the death of the insured by self-destruction is not compensable, the insurer shall refund the premiums actually paid less indebtedness.²

On April 15, 2011, Reuben died due to gunshot wound on the chest. At the time of his death, Susan had already invested a total of ₱16,000,000.00. Susan filed a claim for the proceeds of Reuben’s life insurance policy.³

- over – ten (10) pages ...

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¹ *Rollo*, pp. 178-196; penned by Associate Justice Rosmari D. Carandang (now a retired Member of this Court), with Chief Justice Diosdado M. Peralta (now a retired Member of this Court), and Associate Justices Alfredo Benjamin S. Caguioa, Rodil V. Zalameda, and Samuel H. Gaerlan, concurring.

² *Id.* at 179.

³ *Id.* at 10.

Fortune Life conducted an investigation on Reuben's death. It was discovered that Dr. Allen Pagayatan (Dr. Pagayatan) issued a Clinical Abstract stating that Reuben intimated to his brother, Randolph Protacio (Randolph), that he already wanted to die. Moments after Randolph left Reuben, he heard a gunshot and found Reuben bleeding. Immediately, Randolph brought Reuben to the emergency room. Due to this information, Fortune Life denied Susan's claim for the proceeds. Instead, Fortune Life refunded Susan the amount of premiums paid on the policy less service charge.⁴

Susan refused to accept the refund.⁵ Subsequently, she filed a complaint for sum of money and damages against Fortune Life.⁶ She maintained that Reuben died from an accident while cleaning his gun. Susan submitted in evidence the following: (a) Reuben's Death Certificate stating that Reuben died on April 15, 2011 due to a gunshot wound on the chest;⁷ (b) Medico Legal Report No. M-239-2011 prepared by Dr. Voltaire P. Nulud (Dr. Nulud);⁸ and (c) Final Investigation Report prepared by Police Officer (PO) 3 Rico P. Caramat (PO3 Caramat).⁹

To prove its claim that Reuben died of suicide, Fortune Life presented the following witnesses: (1) Dr. Raquel Fortun, a renowned expert in the field of forensic pathology;¹⁰ and (2) Dr. Pagayatan, the attending physician at the emergency room where Reuben was brought.¹¹

Incidentally, Rossana Ajon (Rossana), a business partner of Reuben, manifested and informed Fortune Life that she already paid Susan the amount of ₱2,000,000.00.¹²

Ruling of the Regional Trial Court

The Regional Trial Court (RTC), in its Decision¹³ dated February 27, 2015, ruled in favor of Susan.

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⁴ Id. at 179-180.

⁵ Id. at 180.

⁶ Id. at 9.

⁷ Id. at 23.

⁸ Id. at 187-188.

⁹ Id. at 18 and 189-190.

¹⁰ Id. at 187.

¹¹ Id. at 180-181.

¹² Id. at 180.

¹³ Id. at 37-45; penned by Presiding Judge Elpidio R. Calis.

According to the RTC, the information Randolph gave to Dr. Pagayatan cannot be considered *res gestae* because it was not spontaneous, there being a considerable lapse of time from the moment Reuben was found bleeding and the time the alleged statement of Reuben was given by Randolph to Dr. Pagayatan at the emergency room. Likewise, the RTC did not give credence to Dr. Fortun's conclusion that Reuben took his own life. Dr. Fortun's findings were only based on documents. She did not examine Reuben's body nor did she present additional evidence to support her conclusion that Reuben took his own life. On the other hand, Susan was able to establish that Reuben died from an accident while he was cleaning his gun. Thus, she is entitled to the proceeds of the policy.¹⁴

The RTC denied the Motion for Reconsideration (MR) filed by Fortune Life for lack of merit.¹⁵

Ruling of the Court of Appeals

The Court of Appeals (CA) reversed the RTC Decision.¹⁶

The CA held that the evidence on record proved that Reuben committed suicide. The photos taken from the crime scene do not show any cleaning materials which would have proved Susan's claim that Reuben was cleaning his gun before his death. Further, the CA ruled that the statement given by Randolph to Dr. Pagayatan was spontaneous, thus part of *res gestae*. There is no reason for Randolph to concoct or fabricate his narration of events. Dr. Fortun's testimony was also upheld since her findings were based on official records.¹⁷

The CA denied the MR filed by Susan. Undeterred, Susan filed a Petition for Review on *Certiorari*¹⁸ before the Court.

Petition for Review on *Certiorari*

In a Decision¹⁹ dated December 2, 2020, the Court granted the petition for review on *certiorari* filed by Susan.

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¹⁴ Id. at 180-181.

¹⁵ Id. at 181.

¹⁶ Id. at 116.

¹⁷ Id. at 110 and 182.

¹⁸ Id. at 8-20 and 182-183.

¹⁹ Id. at 178-196.

Primarily, the Court noted that Fortune Life did not interpose any objection on the timeliness of the filing of Susan's MR for the CA Decision. As such, Fortune Life is now barred by laches, and can no longer raise the issue. Besides, the petition for review on *certiorari* deserved the liberality of the Court due to the substantial issues affecting the final disposition of the case.²⁰

The Court emphasized that the burden of proving an excepted risk or condition that negates liability lies on the insurer and not on the beneficiary. Here, Fortune Life failed to discharge its burden of proving, by preponderance of evidence, that Reuben's death was caused by suicide, an excluded risk in his policy.²¹ The Court explained that Dr. Pagayatan's testimony on the statement Randolph allegedly gave moments after Reuben was brought to the hospital cannot be considered *res gestae* because Dr. Pagayatan was neither a participant, victim, nor spectator to the death of Reuben.²² Furthermore, the Court did not give merit to Dr. Fortun's testimony for being contradicting. Instead, the Court gave credence to the testimony of the investigator of the case, PO3 Caramat.²³

Lastly, the Court ruled that Susan is entitled to the value of Reuben's outstanding liability.²⁴ In taking out a policy on his own life and paying its premium, Reuben intended to use the insurance policy as a collateral for his debt at least to the amount of the policy's face value, and not merely limited to the amount he owed at the time the policy took effect.²⁵ As applied, the Court held that Susan can recover from Fortune Life the total amount of ₱14,000,000.00, taking into consideration the fact that she already received ₱2,000,000.00 of the ₱16,000,000.00 total investment.²⁶

The dispositive portion of the Decision reads:

WHEREFORE, the Decision dated February 17, 2016 and the Resolution dated May 26, 2016 of the Court of Appeals in CA-G.R. CV No. 105012 are **SET ASIDE**. Respondent Fortune Life Insurance Co., is **ORDERED** to pay petitioner Susan Co Dela Fuente the following:

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²⁰ Id. at 184-185.
²¹ Id. at 185.
²² Id. at 186.
²³ Id. at 188-190.
²⁴ Id. at 190.
²⁵ Id. at 193.
²⁶ Id. at 194.

- a. ₱14,000,000.00 representing Reuben's outstanding obligation;
- b. ₱50,000.00 as attorney's fees; and
- c. costs of suit

Interest at twelve percent (12%) *per annum* of the total monetary awards, computed from the date of the filing of the complaint for damages to June 30, 2013 and six percent (6%) *per annum* from July 1, 2013 until their full satisfaction shall also be imposed on the total judgment award.

SO ORDERED.²⁷ (Emphases in the original)

Aggrieved, Fortune Life moved for reconsideration.²⁸

Motion for Reconsideration

In the present MR, Fortune Life asks the Court to consider the following arguments: (1) the CA Decision was already final and executory because the MR was filed late;²⁹ (2) Reuben committed suicide, based on circumstantial evidence, and as proven by Dr. Fortun's testimony;³⁰ (3) PO3 Caramat's testimony has no credence because he has no personal knowledge, his report merely based on what was relayed to him by other persons not presented as witness;³¹ (4) Randolph's testimony is *res gestae*. Randolph should be considered as participant/spectator of the crime because he was in the vicinity when the incident transpired. In fact, he heard the gunshot and saw Reuben bleeding; (5) the statement given by **Reuben to Randolph** may be considered as an independently relevant statement, therefore admissible;³² and (6) Fortune is not liable for legal interest because it believed in good faith that the loss is an excepted risk.³³

Susan opposed³⁴ the MR. *First*, Fortune Life waived its right to question the timeliness of the MR filed by Susan before the CA. Substantial justice had been served when the Court relaxed the procedural rules. *Second*, Dr. Nulud's testimony deserved credence and respect more than that of Dr. Fortun's. It was Dr. Nulud who conducted the autopsy of Reuben. *Third*, Fortune Life admitted that the testimony of Randolph is not *res gestae* when it averred that the

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²⁷ Id. at 195.

²⁸ Id. at 197-216.

²⁹ Id. at 197.

³⁰ Id. at 212-213.

³¹ Id. at 204 and 212-213.

³² Id. at 211-212.

³³ Id. at 214.

³⁴ Id. at 220-230.

latter “was just outside the room when the shooting happened.” As such, Randolph cannot be a spectator to the crime because he did not see the actual shooting of Reuben. *Fourth*, the argument regarding Reuben’s statement as independently relevant statement was raised first time on appeal. Moreover, the application of the rule on independently relevant statement is incongruent to the purpose by which the statements of Randolph were offered.³⁵ *Fifth*, Fortune Life is liable for legal interest because of its delay in the performance of its obligation.

The Court resolves to deny the MR.

The contentions raised in this MR as regards the timeliness of MR filed before the CA, as well as the admissibility of PO3 Caramat and Randolph’s testimonies, and the liability of Fortune Life to Susan, are essentially a rehash of the issues previously raised in the petition for review on *certiorari*, and were properly resolved by the Court in its Decision³⁶ dated December 2, 2020.

Nonetheless, necessary in arriving at a complete and just resolution of the present MR is the subsequent discussion of the Court regarding the rule on independently relevant statements.

Fortune Life insists that the **statement uttered by Reuben** to Randolph is admissible as an independently relevant statement and proves that Reuben committed suicide, an excepted risk that absolves Fortune Life from liability.

The Court cannot agree.

Independently relevant statements are admissible not as to the veracity thereof, but to the fact that they had been uttered.³⁷ They may have relevance to an issue in a case from the mere fact that the words were spoken or written, irrespective of the truth or falsity of the assertion.³⁸ A report made by a person is admissible if it is intended to prove the tenor, not the truth, of the statements. Independent of the truth or the falsity of the statement given in the report, the fact that it has been made is relevant.³⁹

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³⁵ Id. at 226-227.

³⁶ Id. at 178-196.

³⁷ *People v. Velasquez*, 405 Phil. 74, 99 (2001).

³⁸ Riano, Willard B. (2016). *Evidence: The Bar Lectures Series*, Published & Distributed by Rex Book Store, Manila, Philippines. “Chapter VI – Hearsay Evidence, Opinion Evidence and Character Evidence.” p. 294.

³⁹ *Lea Mer Industries, Inc. v. Malayan Insurance Co., Inc.*, 508 Phil. 656, 670-671 (2005).

In *Maddela III v. Pamintuan*,⁴⁰ Executive Judge Paradeza narrated to Mr. Dalit and Atty. Aquino the bribery attempt of Judge Norman Pamintuan. Mr. Dalit and Atty. Aquino executed their respective affidavits to establish that Executive Judge Paradeza had relayed to them the bribery attempt of Judge Norman Pamintuan immediately after it occurred. Finding Mr. Dalit and Atty. Aquino's testimonies admissible in evidence, the Court explained:

Based on the foregoing, only two persons have personal knowledge of the actual bribery attempt: Exec. Judge Paradeza and [Judge Norman Pamintuan]. However, the incidents immediately prior to and after the bribery attempt could be corroborated by Mr. Dalit and Atty. Aquino, which they did in their respective affidavits.

x x x x

The statements of Mr. Dalit and Atty. Aquino on these material points corroborate the statement of Exec. Judge Paradeza. Mr. Dalit's statement establishes that, indeed, sometime in June 2014, [Judge Norman Pamintuan] (not any other person) visited Exec. Judge Paradeza in his chambers. This is based on Mr. Dalit's personal knowledge of the events that day. Further, **Mr. Dalit and Atty. Aquino's accounts establish that Exec. Judge Paradeza had relayed to them the bribery attempt of [Judge Norman Pamintuan] immediately after it occurred.** Their statements on this point are admissible on the basis of the doctrine of *independently relevant statements*.

x x x x

Again, both Mr. Dalit and Atty. Aquino stated that Exec. Judge Paradeza relayed to them the bribery attempt of [Judge Norman Pamintuan] immediately after it occurred. Clearly, the making of such statements is **circumstantially relevant** to this case and, therefore, may be considered in evidence against [Judge Norman Pamintuan]. **While their statements do not attest to the occurrence of the actual bribery attempt, it lends credence to the narration of events by Exec. Judge Paradeza and, overall, on his account of bribery attempt.**⁴¹ (Emphases supplied; italics in the original)

Here, only Reuben and Randolph had personal knowledge on the former's utterance about already wanting to die. Such utterance was narrated by Randolph to Dr. Pagayatan when Reuben was brought to the emergency room. At the witness stand, Dr. Pagayatan merely repeated in court what was relayed to him by Randolph.

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⁴⁰ A.M. Nos. RTJ-19-2559 & RTJ-19-2561, August 14, 2019.

⁴¹ Id.

Following *Maddela III v. Pamintuan*,⁴² it is Dr. Pagayatan's testimony – not Randolph nor Reuben's – that may fall under the rule on independently relevant statements. Irrespective of the truth or falsity of the assertion, Dr. Pagayatan's testimony may be admissible insofar as to the fact that Randolph had relayed information to him about Reuben's utterance.

Nonetheless, admissibility of a testimony should not be equated with its weight and sufficiency.⁴³ The admissibility of the evidence depends on its relevance and competence while the weight of evidence pertains to evidence already admitted and its tendency to convince and persuade. Thus, a particular item of evidence may be admissible, but its evidentiary weight depends on judicial evaluation within the guidelines provided by the rules on evidence.⁴⁴

In the present case, it does not follow that Dr. Pagayatan's testimony is sufficient proof to establish the claim of Fortune Life that Reuben died of suicide.⁴⁵ The Court maintains its finding that Fortune Life failed to discharge its burden of proving, by preponderance of evidence, that Reuben's death was caused by suicide, an excluded risk in his insurance policy.⁴⁶

Records show that Reuben's death was caused by an accident. Dr. Nulud categorically testified that Reuben's gunshot wound was not self-inflicted – a conclusion which was reached after Dr. Nulud conducted an autopsy on Reuben. Likewise, the same conclusion was made by PO3 Caramat to whom Randolph, the drivers, and the house helper reported that Reuben was cleaning his gun before he died. PO3 Caramat, as the investigator of the case, also personally examined the scene of the incident and the weapon used.⁴⁷

On the contrary, Fortune Life presented Dr. Fortun who failed to rule out the possibility that the shooting was accidental.⁴⁸ Dr. Fortun admitted that her conclusion is based on information which she does not have personal knowledge of. Her analysis and opinion were confined to documentary evidence furnished to her.⁴⁹ Dr. Fortun did

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⁴² Supra note 40.

⁴³ *People v. Manhuyod, Jr.*, 352 Phil. 866, 885 (1998).

⁴⁴ *Tating v. Marcella*, 548 Phil. 19, 28 (2007).

⁴⁵ *Rollo*, p. 186.

⁴⁶ *Id.* at 185.

⁴⁷ *Id.* at 189-190.

⁴⁸ *Id.* at 188-189.

⁴⁹ *Id.* at 187.

not personally talk to Randolph, Dr. Pagayatan, or any of Reuben's house helpers.⁵⁰ To the Court, the evidence presented by Fortune Life is insufficient to conclude with certainty that Reuben took his own life.

On top of that, Fortune Life did not even polish its MR where it argued as follows:

56) x x x even assuming that the statement of **Reuben** is not admissible as part of *res gestae*, the said testimony is admissible under the doctrine of independent relevant statement.

x x x x

58) x x x the statement made by **Reuben** during the interview of Dr. Pagayatan should be considered as independently relevant statement. Regardless of the truthfulness or falsity of the said statement, under the said doctrine, the said statement is relevant to prove that **Reuben made the said statement regarding the frame of mind of his brother before the shooting occurred.** That we submit is relevant as to the fact whether indeed the insured committed suicide or not.⁵¹ (Emphases and italics supplied)

To recall, it was **Randolph** who was interviewed by Dr. Pagayatan at the emergency room, and relayed Reuben's utterance that he already wanted to die.

The Court has no reason to assume that Fortune Life merely committed a typographical or clerical error. Fortune Life is expected to put its ultimate best if it were to convince the Highest Court of the Land to decide in its favor.

WHEREFORE, premises considered, the Motion for Reconsideration filed by respondent Fortune Life Insurance Co., Inc. is hereby **DENIED WITH FINALITY**. No further pleadings or motions shall be entertained herein.

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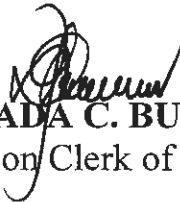
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⁵⁰ Id. at 189.

⁵¹ Id. at 211-212.

SO ORDERED.”

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court
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SEP 23 2022

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