Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

EASTERN OVERSEAS EMPLOYMENT CENTER, INC., AL AWADH COMPANY TRADING AND CONTRACTING, MR. JUAN VILLABLANCA and MRS. GLORIA ODULIO VILLABLANCA, *Petitioners,*	**G.R. No. 240950** Present: PERLAS-BERNABE, *S.A.J.*, *Chairperson*, HERNANDO, INTING, DELOS SANTOS, and BALTAZAR-PADILLA, *JJ.*
- *versus* -	
HEIRS OF THE DECEASED NOMER P. ODULIO, represented by his wife, MAY IMBAG ODULIO, *Respondents.*	Promulgated: 29 JUL 2020

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RESOLUTION

INTING, *J.*:

This is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision[2] dated April 27, 2018 and the Resolution[3] dated July 20, 2018 of the Court of Appeals (CA) in CA-G.R. SP No. 135583 that ordered Eastern Overseas Employment Center, Inc. (Eastern Overseas), Al Awadh Company

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[1] *Rollo*, pp. 10-22.

[2] *Id.* at 27-41; penned by Associate Justice Myra V. Garcia-Fernandez with Associate Justices Ramon R. Garcia and Germano Francisco D. Legaspi, concurring.

[3] *Id.* at 42-43.

Trading and Contracting (Al Awadh Company), Juan Villablanca, Eastern Overseas' President, and Gloria Odulio Villablanca, Eastern Overseas' General Manager, (collectively, petitioners) to pay the heirs of Nomer Odulio (respondents) the amount of US$10,000.00, or its equivalent in Philippine Peso, plus 10% thereof as attorney's fees.

The Antecedents

Sometime in 2007, Nomer P. Odulio (Nomer) was hired as a cable electrician by Al Awadh Company in Saudi Arabia, through its placement agency in the Philippines, Eastern Overseas. Nomer's contract stipulated an employment period of two years from 2007 to 2009. When his contract expired in 2009, Nomer continued to work for Al Awadh Company until he returned to the Philippines in April 2011.[4]

On June 6, 2011, Nomer returned to Saudi Arabia to work as a lineman for Al Awadh Company for an employment period of 12 months. On May 19, 2012, Nomer unfortunately suffered a heart failure and died in the course of his employment.[5]

On January 7, 2013, respondents filed a complaint for payment of Nomer's death benefits against Al Awadh Company, Eastern Overseas, its President Juan Villablanca, and General Manager Gloria Odulio Villablanca. In their Position Paper,[6] respondents cited Section 37-A of Republic Act No. (RA) 8042,[7] as amended by RA 10022, and argued that since Nomer was an agency-hired worker, he is covered by a compulsory insurance policy secured by Eastern Overseas at no cost to Nomer.[8]

In defense, petitioners contended that since Nomer was rehired by Al Awadh Company in June 2011 without any participation of Eastern Overseas, Nomer was no longer covered by a compulsory insurance policy at the time of his death.[9] Nomer negotiated directly with Al Awadh Company when his employment contract expired in June 2009. Having renewed his contract on his own, Nomer continued to work for Al Awadh Company in Saudi Arabia until he went on leave in April 2011 to attend the graduation of his daughter in the Philippines. Nomer processed his Saudi Arabia Visa to be able to resume his employment

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4 *Id.* at 28.
5 *Id.*
6 *Id.* at 47-55.
7 Migrant Workers and Overseas Filipinos Act of 1995.
8 *Rollo*, pp. 51-52.
9 *Id.* at 16-17.

after his vacation. In his visa request, he indicated that he started working for Al Awadh Company on June 28, 2007; that his contract expired on June 27, 2009; and that the purpose of his leave was vacation whereby he purchased a round trip ticket for his return to Saudi Arabia.[10]

Petitioners also pointed out that in the Release of Claims which Nomer executed, he indicated that he was an employee of Al Awadh Company from June 28, 2007 until April 4, 2011; thus, it only shows that he continued to work despite the expiration of his employment contract on June 27, 2009. Before his return to Saudi Arabia in June 2011, Nomer processed the contract he secured from Al Awadh Company with the Philippine Overseas Employment Administration (POEA); he was tagged by the POEA as *balik-manggagawa* which proves that he was a *worker-on-leave*.

Petitioners further pointed out that Eastern Overseas denied that Nomer was agency-hired when he was redeployed in June 2011. Since Nomer was the nephew of the general manager of Eastern Overseas, the latter assisted Nomer in the processing of his documents with the POEA as a form of courtesy, not because he was an agency-hired worker.[11]

Ruling of the Labor Arbiter (LA)

In the Decision[12] dated July 25, 2013, the LA ruled in favor of the heirs of Nomer, awarding to them the amount of US$10,000, plus 10% thereof as attorney's fees.[13] In ruling in favor of the heirs of Nomer, the LA brushed aside petitioners' contention that Nomer was rehired by Al Awadh Company in June 2011 without Eastern Overseas' participation. The LA likewise found incredible petitioners' allegation that Nomer was a worker-on-leave who only returned to Al Awadh Company in June 2011 to finish the unexpired portion of his contract. The LA held that Nomer's return was by virtue of a new contract which was processed through the agency of Eastern Overseas, and that having been employed and deployed through the recruitment agency of Eastern Overseas, Nomer was covered by a compulsory insurance policy.[14]

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[10] *Id.* at 15-16.
[11] *Id.* at 15.
[12] *Id.* at 85-90; penned by Labor Arbiter Raymund M. Celino.
[13] *Id.* at 90.
[14] *Id.* at 89-90.

Ruling of the National Labor Relations Commission (NLRC)

In the Decision[15] dated December 27, 2013, the NLRC reversed the LA Decision and held that Nomer was rehired in 2009 by Al Awadh Company without the participation of Eastern Overseas. It likewise ruled that Nomer was a *worker-on-leave* who returned to Al Awadh Company in June 2011 to finish the unexpired portion of his contract; and that since Eastern Overseas did not have a hand in the reemployment and redeployment of Nomer in June 2011, he was deemed not covered by a compulsory insurance policy.

Ruling of the CA

In the assailed Decision[16] dated April 27, 2018, the CA annulled, and set aside the NLRC Decision, and reinstated the LA Decision.

Issue

The issue for the Court's resolution is whether Nomer was covered by a compulsory insurance policy when he went back to work in Saudi Arabia with Al Awadh Company in June 2011.

Court's Ruling

The petition is bereft of merit.

The pertinent portion of SEC. 37-A of RA 8042, as amended, provides:

> SEC. 37-A. *Compulsory Insurance Coverage for Agency-Hired Workers*. - In addition to the performance bond to be filed by the recruitment/manning agency under Section 10, each migrant worker deployed by a recruitment/manning agency shall be covered by a compulsory insurance policy which shall be secured at no cost to the said worker. Such insurance policy shall be effective for the duration of the migrant worker's employment x x x

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[15] *Id.* at 120-127; penned by Commissioner Mercedes R. Posada-Lacap with Commissioners Grace E. Maniquiz-Tan and Dolores M. Peralta-Beley, concurring.

[16] *Id.* at 27-41.

x x x x

> "For migrant workers classified as rehires, name hires or direct hires, they may opt to be covered by this insurance coverage by requesting their foreign employers to pay for the cost of the insurance coverage or they may pay for the premium themselves. To protect the rights of these workers, the POEA shall provide them adequate legal assistance, including conciliation and mediation services, whether at home or abroad.

As can be gleaned from the foregoing, insurance coverage is compulsory for agency-hired migrant workers. An Overseas Filipino Worker (OFW) is agency-hired if he/she has availed himself of the services of a recruitment/manning agency duly authorized by the Department of Labor and Employment through the POEA.[17]

On the other hand, insurance coverage is not mandatory for direct-hired or name-hired, and rehired OFWs. An OFW is direct-hired or name-hired if he/she was engaged directly by foreign employers such as international organizations, diplomatic corps, and those who were able to get an employment without the assistance or participation of any recruitment/manning agency.[18] A rehired OFW on the other hand is one who has been re-engaged by the foreign principal without the participation of an agency.[19] Direct-hired, name-hired, or rehired OFWs, however, can avail themselves of this insurance by requesting their foreign employers to pay for the cost of the insurance coverage or they may pay for the premium themselves.

However, to resolve the issue of whether Nomer was covered by a compulsory insurance policy at the time of his death in 2012, the Court must initially determine the following:

1) Whether Nomer was rehired by Al Awadh Company without the participation of Eastern Overseas when his contract expired in 2009;

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[17] <http://poea.gov.ph/laws&rules/files/Insurance_OFW%20FAQs.pdf> (visited June 3, 2020)

[18] *Id.*

[19] See Rule II, No. 14 of the POEA Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Workers.

2) Whether Nomer returned to the Philippines in April 2011 as a *worker-on-leave*, or by virtue of an expired contract; and

3) Whether Nomer returned to Saudi Arabia in June 2011 to finish the unexpired portion of his contract, or by virtue of a new contract processed by Eastern Overseas.

Under Section 1, Rule 45 of the Rules of Court, petitions for review on *certiorari* shall raise only questions of law. A question of fact exists when there is a doubt as to the truth of certain facts, and it can only be resolved through a reexamination of the body of evidence.[20] Here, the issue of whether Nomer was agency-hired or a rehire of Al Awadh Company will require the Court to re-examine the evidence on hand.

It is well-settled that the Court is not a trier of facts. As a general rule, the Court will defer to the lower courts' or quasi judicial agencies' appreciation and evaluation of evidence. However, there are exceptions to this general rule as eloquently enunciated in jurisprudence,[21] such as when the factual findings of the CA and the NLRC are contradictory. Indubitably, the case at bar falls under this exception. Thus, the Court proceeds to examine the factual milieu of the case.

Record shows that Nomer's employment contract ended in 2009. Notwithstanding the expiration of his contract, he continued working with Al Awadh Company until 2011. While it may be argued that Nomer

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[20] *Microsoft Corporation, et al. v. Farajallah, et al.*, 742 Phil. 775, 784 (2014), citing *Lacson v. MJ Lacson Development Company, Inc.*, 652 Phil. 34, 48 (2010).

[21] In *Salcedo v. People*, 400 Phil. 1302, 1308-1309 (2000). The Court enumerated some exceptions, as follows:
(1) When the factual findings of the Court of Appeals and the trial court are contradictory;
(2) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures;
(3) When the inference made by the Court of Appeals from its findings of fact is manifestly mistaken, absurd or impossible;
(4) When there is grave abuse of discretion in the appreciation of facts;
(5) When the appellate court, in making its findings, went beyond the issues of the case, and such findings are contrary to the admissions of both appellant and appellee;
(6) When the judgment of the Court of Appeals is premised on misapprehension of facts;
(7) When the Court of Appeals failed to notice certain relevant facts which, if properly considered, would justify a different conclusion;
(8) When the findings of fact are themselves conflicting;
(9) When the findings of fact are conclusions without citation of the specific evidence on which they are based; and
(10) When the findings of fact of the Court of Appeals are premised on the absence of evidence but such findings are contradicted by the evidence on record.

was rehired by Al Awadh Company without Eastern Overseas' participation after the expiration of his contract in 2009, records show that Nomer came back to the Philippines in April 2011. Contrary to Eastern Overseas' contention that Nomer was merely on leave when he went back to the Philippines in April 2011, and that Nomer returned to Al Awadh Company in June 2011 as a rehire to finish the unexpired portion of his renewed 2009 contract, records disclose that Nomer's return to Al Awadh Company was by virtue of a new contract, processed on his behalf by Eastern Overseas. The Court notes Nomer's OFW Information Sheet[22] for his June 2011 deployment, *viz.*:

Overseas Filipino Worker (OFW) Information

Name :	ODULIO, NOMER POMEDA
	x x x
OFW Type :	Landbased (Worker-on-leave)
	x x x
Local Agent : CENTER	**EASTERN OVERSEAS EMPLOYMENT INC**
Principal/Employer :	AL AWADH COMPANY TRADING AND CONTRACTING
	x x x
Contract status :	**New**
	x x x
Processing Unit :	BMAD[23] (Emphasis supplied.)

Eastern Overseas being indicated as Nomer's local agent in his OFW Information Sheet in June 2011, the Court considers Nomer as an agency-hired worker when he returned to Al Awadh Company in June 2011. Likewise, considering that Nomer's OFW Information indicated his contract status to be "New," the Court finds it to be without merit petitioners' argument that Nomer was a rehire and a *worker-on-leave* who returned to Al Awadh Company just to finish the unexpired portion of his contract.

Eastern Overseas now banks on the fact that Nomer was indicated to be a *worker-on-leave* per his OFW Information Sheet. Being a

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[22] *Rollo*, p. 57
[23] *Id.*

worker-on-leave, Eastern Overseas contends that Nomer was a rehire; hence not covered by the compulsory insurance policy.

The Court is not persuaded.

To elucidate, a *worker-on-leave* is a worker who is on vacation or on leave from employment under a valid and existing employment contract, and who is returning to the same employer to finish the remaining unexpired portion of the contract.[24]

If Nomer was indeed a *worker-on-leave* when he returned to the Philippines in April 2011, the Court will have to concede to Eastern Overseas' argument that Nomer was not covered by compulsory insurance policy. This is because Nomer would be considered as merely on vacation and was still under the 2009 contract, he alone negotiated with Al Awadh Company. Being merely on leave, Nomer would have to return to Al Awadh Company to finish the unexpired portion of his 2009 contract. Eastern Overseas having no hand in the consummation of his 2009 contract, Nomer would not be indeed covered by any compulsory insurance policy under such circumstances.

Being faced with two interpretations of Nomer's status of employment, the Court is inclined to rule in favor of Nomer's compulsory insurance policy coverage, in light of Article 1702 of the Labor Code, which provides that in case of doubt, all labor legislation and all labor contracts shall be construed in favor of the safety and decent living of the laborer.[25] While Nomer's OFW Information Sheet indicated that he was a worker-on-leave, the same document, as earlier discussed, indicated that his redeployment to Al Awadh Company on June 11, 2011 was by virtue of a new contract. The information sheet even stated that Eastern Overseas was Nomer's local agent, meaning it was the agency which processed his new contract with Al Awadh Company in June 2011. This negates the claim that Nomer was a *worker-on-leave* when he returned to the Philippines in April 2011.

To reiterate, insurance coverage is compulsory for agency-hired migrant workers. Nomer having availed himself of the services of Eastern Overseas in securing his employment with Al Awadh and

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[24] <http://www.ofwguide.com/article_item-1593/POEA-Answers-Frequently-Asked-Questions-FAQ--of-Returning-OFWs--Balik-Manggagawa----BM--Processing.html> (visited June 3, 2020).

[25] See *Leoncio v. MST Marine Services (Phils.), Inc., et al.*, 822 Phil. 494, 506 (2017). Citations omitted.

deployment to Saudi Arabia in June 2011, the CA aptly reinstated the findings of facts of the LA and correctly ruled that Nomer was covered by a compulsory insurance policy.

Per Section 1(b),[26] Guideline VII of the Insurance Guidelines on Rule XVI of the Omnibus Rules and Regulations Implementing RA 8042, the insurance benefit of an agency-hired OFW, such as Nomer, who suffered a natural death is US$10,000. Indubitably, the CA committed no error in reinstating the LA's award of $10,000 in favor of respondents. The award of 10% attorney's fees in favor of respondents is likewise affirmed.

Following the ruling in *Nacar v. Gallery Frames, et al.*,[27] the total monetary award shall earn an interest at the rate of 12% *per annum* from May 19, 2012 to June 30, 2013, and 6% interest rate from July 1, 2013 until full satisfaction.

WHEREFORE, the petition is **DENIED**. The Decision dated April 27, 2018 and the Resolution dated July 20, 2018 of the Court of Appeals in CA-G.R. SP No. 135583 which reinstated the Decision dated July 25, 2013 of the Labor Arbiter are **AFFIRMED** with **MODIFICATION** by imposing on the total monetary award an interest rate of 12% *per annum* from May 19, 2012 to June 30, 2013, and 6% interest rate from July 1, 2013 until full satisfaction.

SO ORDERED.

HENRI JEAN PAUL B. INTING
Associate Justice

WE CONCUR:

ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

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[26] Section 1. Minimum Benefits
The minimum insurance benefits contemplated herein shall include the following:
x x x x
(b) Natural death, with at least Ten Thousand United States Dollars (US$10,000.00) benefit payable to the migrant worker's beneficiaries;
x x x x

[27] 716 Phil. 267, 281-283 (2013).

RAMON PAUL L. HERNANDO
Associate Justice

EDGARDO L. DELOS SANTOS
Associate Justice

PRISCILLA J. BALTAZAR-PADILLA
Associate Justice

ATTESTATION

I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution 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