



Republic of the Philippines
Supreme Court
Baguio City

THIRD DIVISION

ADAN DE GUZMAN HISANZA,*
Petitioner,

G.R. No. 265454

- versus -

Present:

BRIGHT MARITIME CORPORATION,
NAVIOS SHIPMANAGEMENT, INC.,
DESIREE P. SILLAR, GEORGIOS
STEFANOU, NATIVIDAD B. EBRON,
CLARISSA C. MENDOZA, RHODORA
S. TABOADA, KONSTANTINA
STEFANOU, and WEBENA D.
DABUCO,**

CAGUIOA, J.,
Chairperson,
INTING,**
GAERLAN,
DIMAAMPAO, and
SINGH, JJ.

Respondents.

Promulgated:
APR 07 2025
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DECISION

GAERLAN, J.:

This is a Petition for Review on *Certiorari* of the December 14, 2021 Decision¹ and the January 4, 2023 Resolution² of the Court of Appeals (CA) in CA-G.R. SP No. 168160, which originated from the complaint for disability benefits, sickness allowance, and damages filed by petitioner Adan De Guzman Hisanza (Hisanza) against respondents Bright Maritime Corporation (Bright), Navios Shipmanagement Inc., (Navios), Desiree P. Sillar (Sillar), Georgios Stefanou (Georgios), Natividad B. Ebron (Ebron), Clarissa C. Mendoza

* Also referred to in the records as “Adan Guzman Hisanza” and “Adan Hizansa.”

** On official business.

*** The Court of Appeals is hereby dropped as a party-respondent in accordance with Rule 45, Section 4, of the Rules of Court.

¹ *Rollo*, pp. 40–53. Penned by Associate Justice Ramon R. Garcia and concurred in by Associate Justices Ronaldo Roberto B. Martin and Bonifacio S. Pascua of the Sixth Division, Court of Appeals, Manila.

² *Id.* at 55–56. Penned by Associate Justice Ramon R. Garcia and concurred in by Associate Justices Ronaldo Roberto B. Martin and Bonifacio S. Pascua of the Former Sixth Division, Court of Appeals, Manila.

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(Mendoza), Rhodora S. Taboada (Taboada), Konstantina Stefanou (Konstantina), and Webena D. Dabuco (Dabuco).

Bright is a Philippine corporation engaged in the business of recruiting and placing seafarers on the oceangoing vessels of its customers/principals. Navios is one of Bright's principals.³ Hisanza is a seafarer who was recruited by Bright to work on one of Navios's ships. The other respondents are corporate directors or officers of either Bright or Navios.⁴

On December 7, 2015, Hisanza slipped and fell on his gluteal area while working on board a ship manned by Bright and Navios. After complaining of persistent back pain, he was brought to a hospital in China on December 10, 2015 for a CT scan. The scan showed that Hisanza had a slipped intervertebral disc and a narrowing lumbar vertebra duct. He was repatriated to the Philippines on February 5, 2016; and underwent treatment from February 12 to April 5, 2016.⁵ After the treatment, he was given a final diagnosis of low back pain secondary to mild disc bulge, L3-L4 and L4-L5, improved.⁶

On September 14, 2016, Hisanza was certified as fit for seafaring duty after undergoing a pre-employment medical examination.⁷ On November 10, 2016, Bright hired Hisanza again, as an able-bodied seaman (ABS) on board the bulk carrier M/V Navios Etoile, under the Philippine Overseas Employment Administration-Standard Employment Contract (POEA-SEC), for a period of nine months.⁸ Hisanza started work aboard the ship on November 13, 2016.⁹ As an ABS, Hisanza had the following tasks: operation of equipment, accident prevention, emergency lifesaving, damage control, general repair and maintenance, sanitation, and watch.¹⁰

On May 24, 2017, Hisanza felt severe back pain while working on board the M/V Navios Etoile.¹¹ The pain did not abate despite medication, so Hisanza was repatriated on May 29, 2017.¹² Hisanza was admitted to a hospital from June 1 to 7, 2017.¹³ He then underwent physical therapy and regular consultation from June to December 2017.¹⁴ On December 5, 2017, in compliance with the 120-day rule, Bright's company clinic provided an interim assessment of Hisanza's condition as disability grade 11 for slight rigidity or 1/3 loss of motion or lifting

³ *Id.* at 133. Respondents' Position Paper.

⁴ *Id.* at 66 & 133. Parties position papers.

⁵ *Id.* at 67. Hisanza's Position Paper.

⁶ *Id.* at 81. Medical Certificate (undated).

⁷ *Id.* at 77. Medical Certificate dated September 14, 2016.

⁸ *Id.* at 63. Contract of Employment.

⁹ *Id.* at 134. Respondents' Position Paper.

¹⁰ *Id.* at 66. Hisanza's Position Paper.

¹¹ *Id.* at 67 & 134. Parties position papers.

¹² *Id.* at 67, 134, 160. Parties position papers; Hisanza's seaman's book and passport.

¹³ *Id.* at 67. Hisanza's Position Paper.

¹⁴ *Id.* at 68, 135. Parties position papers.

power in the trunk.¹⁵ Deeming this a final assessment, Bright informed Hisanza that it will no longer be shouldering further treatments.¹⁶

Dissatisfied, Hisanza sought the opinion of Dr. Venancio Garduce (Dr. Garduce), an orthopedic specialist. Hisanza underwent an MRI scan, which returned the following findings: interval decrease in the degree of endplate edema at the L4-L5 level; mild to moderate central canal stenosis, mild bilateral neural foraminal stenosis and bilateral lateral recess stenosis at the L3-L4 level, secondary to a diffuse disc bulge; mild to moderate central canal stenosis and moderate bilateral neural foraminal stenosis at the L4-L5 level, secondary to a disc osteophyte complex; and lumbar spondylosis.¹⁷ Based on this result and on further examination, Dr. Garduce certified that Hisanza had a disability rating of three and was unfit for seafaring work.¹⁸

On July 19, 2018, Hisanza filed the present complaint before the Regional Arbitration Branch (RAB) of the National Labor Relations Commission (NLRC), praying for USD 136,410.00 in permanent disability benefits, PHP 100,000.00 in moral damages, PHP 100,000.00 in exemplary damages, and attorney's fees.¹⁹ Hisanza argued that he should be deemed permanently disabled, as his back pain, general weakness, and reduced mobility did not abate even after the treatment and therapy administered by the company physicians, as confirmed by Dr. Garduce's certification.²⁰ Bright cannot escape liability as it re-hired him despite his prior injury.²¹ Furthermore, both Dr. Garduce and Bright's own physicians agree as to the fact of Hisanza's disability and only differ as to the *degree* thereof.²² The lack of a third-doctor referral is not fatal as it may be done during the RAB proceedings, but Bright made this impossible by not attending the mandatory conferences.²³ Finally, respondents withheld the full amount of his disability benefits in bad faith, entitling him to moral and exemplary damages.²⁴

Respondents riposted that Hisanza's claim should be dismissed for failure to properly dispute the company physician's assessment and for lack of a third-doctor referral, in accordance with Section 20(A)(3) of the POEA-SEC.²⁵ They further argue that Hisanza's injury is not compensable as there is no proof that it was work-related.²⁶ Even assuming the work-relation of Hisanza's injury, he

¹⁵ *Id.* at 125. December 5, 2017 Medical Report.

¹⁶ *Id.* at 68 & 135. Parties position papers.

¹⁷ *Id.* at 68 & 85. Hisanza's Position Paper; Magnetic resonance imaging report dated January 17, 2018.

¹⁸ *Id.* at 83. Handwritten Medical Certificate dated January 31, 2018.

¹⁹ *Id.* at 73. Hisanza's Position Paper.

²⁰ *Id.* at 70–72.

²¹ *Id.* at 88. Hisanza's Reply.

²² *Id.*

²³ *Id.* at 89–90.

²⁴ *Id.* at 72–73, 91–92. Hisanza's Position Paper and Reply.

²⁵ *Id.* at 110–117, 137–139. Respondents' Position Paper and Reply.

²⁶ *Id.* at 102–110, 142–144.

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should be awarded benefits corresponding to disability grade 11 only. Respondents argue that the company physician's disability rating must prevail over that of Dr. Garduce, as the former is based on months of medical treatment and observation, while the latter does not even state that the injury is work-related.²⁷ Respondents deny any bad faith or malice in their dealings with Hisanza, as they are ready and willing to pay any disability benefits due him, in accordance with the disability rating given by their company physicians.²⁸ Finally, respondents argue that they are entitled to PHP 100,000.00 in actual damages, as Hisanza's complaint is baseless, exorbitant, and malicious.²⁹

On February 28, 2019, the RAB rendered a decision³⁰ awarding Hisanza disability benefits in the amount of USD 7,465.00, sickness allowance in the amount of PHP 98,559.00, and 10% of such aggregate amounts as attorney's fees,³¹ essentially sustaining respondents' position.

The RAB held that Hisanza's failure to refer the dispute to a third doctor is not fatal to his claim, the referral being a voluntary mediation mechanism.³² However, the RAB gave more weight and credence to the company physicians assessment:

[T]he assessment of [Dr. Garduce] was made only after a few days consultation and this failed to overcome the findings of the company designated physician. The dose and regular treatment and examination of [Hisanza] by the company designated physician in coordination with other doctors over several months is certainly a more accurate assessment of his health condition. Therefore, the findings of the company designated physician deserve more weight and credence since it is made from extensive personal knowledge of his condition which cannot be said of a few days['] consultation with his doctor of choice.

Furthermore, even [Hisanza's] own doctor did not give him a disability impediment grading of 1 but only 3.

Under Section 32 of the POEA SEC, any item in the schedule classified under Grade 1 shall be considered or shall constitute total and permanent disability. Conversely, any illness or injury with impediment grade of 2 to 12 means it constitutes as either permanent partial disability, temporary total disability or temporary partial disability.

There is nothing on record that will exhort a finding that [Hisanza] is entitled to permanent and total disability benefits. Therefore, he is entitled to disability benefits equivalent to disability grade 11 in accordance with the findings of the

²⁷ *Id.* at 144–150. Respondents' Position Paper.

²⁸ *Id.* at 150–152.

²⁹ *Id.* at 152–154.

³⁰ *Id.* at 369–377. The Decision was penned by Labor Arbiter Clarissa G. Beltran-Lerios of the National Capital Regional Arbitration Branch, National Labor Relations Commission, Quezon City.

³¹ *Id.* at 377.

³² *Id.* at 374–375. RAB Decision.

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company designated physician and this amounts to US\$7,465.00 (US\$50,000.00 x 14.93%).³³

Since respondents admitted their readiness and willingness to pay Hisanza's sickness allowance, the RAB ordered them to do so.³⁴ Finally, the RAB found no basis for both parties' claims for damages.³⁵

Still convinced of his entitlement to permanent and total disability benefits, Hisanza lodged a partial appeal with the NLRC. Arguing that the "[a]ssessment of the company designated physician should not be taken as gospel truth,"³⁶ Hisanza pointed to jurisprudential acknowledgments of possible bias in the assessments of company physicians and asserted the value of the second-opinion assessment as a check against such possibly biased assessments. Here, Dr. Garduce's assessment is based not only on multiple consultations but also on his vast experience and expertise in the field of orthopedics, and more importantly on the MRI scan, which Hisanza claims to be 85% accurate in predicting the types of herniated lumbar intervertebral disc.³⁷ Since the core factual issue in workers compensation proceedings is not the extent of illness or injury but the inability to work and loss of earning capacity caused by such illness or injury, Dr. Garduce's categorical assessment that Hisanza is no longer fit for seafaring work should prevail over the equivocal assessment of the company physician.³⁸

Hisanza also objected to the RAB's ruling that only Grade 1 disabilities are considered permanent and total. He argues that the disability grading system in the POEA-SEC should be liberally interpreted so as to entitle him to permanent and total disability benefits, despite his doctor's Grade 3 disability rating, because of his permanent inability to resume seafaring work.³⁹ Finally, he reiterated his claim of moral and exemplary damages.⁴⁰

Respondents argued that the RAB correctly sustained their position. They point out the fact that even Dr. Garduce rated Hisanza's disability at Grade 3, which is still considered partial disability under the POEA-SEC.⁴¹ The company physician's December 2017 assessment is a final assessment made after the 240-day reglementary treatment period, and should therefore be given great weight and respect.⁴² Respondents called for the strict application of the POEA-SEC in

³³ *Id.* at 376.

³⁴ *Id.* at 376–377.

³⁵ *Id.* at 377.

³⁶ *Id.* at 172. Memorandum of Partial Appeal.

³⁷ *Id.* at 172–174.

³⁸ *Id.* at 174–177.

³⁹ *Id.* at 177–182.

⁴⁰ *Id.* at 182.

⁴¹ *Id.* at 222–226. Respondents Comment on the Partial Appeal Memorandum.

⁴² *Id.* at 227–232.

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line with regulations and jurisprudence.⁴³ Finally, they argued that Hisanza has still not produced a copy of the Collective Bargaining Agreement (CBA) upon which he bases his monetary claim of USD 136,410.00 in permanent disability benefits.⁴⁴

Through a Decision⁴⁵ dated November 29, 2019, the NLRC denied Hisanza's appeal and affirmed the RAB ruling in full, as Hisanza's failure to refer the dispute to a third doctor gave the company physician's assessment finality and binding effect as between the parties.⁴⁶ The NLRC also sustained the RAB's assignment of greater weight and credit to the company physician's assessment, which was issued well within the 240-day treatment period.⁴⁷

In addition to repleading his arguments on appeal,⁴⁸ Hisanza argued for the first time in his motion for reconsideration that the company physician's December 2017 report is not the final assessment contemplated under the POEA-SEC, as it was a mere interim assessment which was never communicated to him.⁴⁹

In its August 28, 2020 Resolution,⁵⁰ the NLRC dodged the new issue raised by Hisanza and denied his motion for reconsideration for being a mere rehash of the arguments raised on appeal.⁵¹ Hisanza elevated the matter to the CA on *certiorari*.⁵²

The CA dismissed Hisanza's petition. It sustained the labor tribunals' relative evaluation of the relative weight and merit of the competing medical assessments,⁵³ as Hisanza failed to prove prior regular consultation and treatment under Dr. Garduce. The CA also agreed that Hisanza cannot be awarded total and permanent disability benefits because neither Dr. Garduce nor the company physician rated his disability as such.⁵⁴

⁴³ *Id.*

⁴⁴ *Id.* at 232.

⁴⁵ *Id.* at 266–285. Penned by Commissioner Mary Ann F. Plata-Daytia and concurred in by Presiding Commissioner Grace M. Venus and Commissioner Leonard Vinz O. Ignacio of the Fourth Division, National Labor Relations Commission, Quezon City.

⁴⁶ *Id.* at 279–280.

⁴⁷ *Id.* at 280–282.

⁴⁸ *Id.* at 250–257, 261. Hisanza's Motion for Reconsideration before the NLRC.

⁴⁹ *Id.* at 258–261.

⁵⁰ *Id.* at 363–366. Penned by Commissioner Mary Ann F. Plata-Daytia and concurred in by Presiding Commissioner Grace M. Venus and Commissioner Leonard Vinz O. Ignacio of the Fourth Division, National Labor Relations Commission, Quezon City.

⁵¹ *Id.* at 365–366.

⁵² *Id.* at 325–336. Petition for *Certiorari*.

⁵³ *Id.* at 49. CA Decision.

⁵⁴ *Id.* at 49–50.

Contrary to the RAB's position, the CA ruled that under the POEA-SEC, a third-doctor referral is mandatory if the company physician's assessment is controverted by that of the seafarer's own physician. In such a case, the third-party physician's assessment will settle the matter, lacking which, the company physician's assessment becomes binding upon the seafarer.⁵⁵ Finally, the appellate court held that mere lapse of the reglementary 120-day treatment period does not entitle an incapacitated seafarer to total and permanent disability benefits, as the treatment period may be extended as needed. Here, the final December 2017 assessment was issued within the extended treatment period. Worse, Hisanza did not even prove that he was deprived of livelihood due to his medical condition.⁵⁶

The CA having denied⁵⁷ his motion for reconsideration, Hisanza now seeks recourse before this Court, still arguing that: 1) the December 2017 assessment is invalid as it was neither definitive nor properly communicated to him;⁵⁸ 2) a third-doctor referral is not mandatory under the POEA-SEC;⁵⁹ 3) he is entitled to total and permanent disability benefits despite the disability ratings he received as his condition rendered him unfit for seafaring work;⁶⁰ and 4) he is entitled to moral and exemplary damages.⁶¹ Respondents replead their arguments before the labor tribunals⁶² and urge Us to affirm the ruling of the CA.⁶³

We grant the petition.

The Supreme Court's function in reviewing labor adjudications is limited to checking the correctness of the CA's determination of grave abuse of discretion on the part of the NLRC.⁶⁴ If the CA upholds the common ruling of the NLRC and the Labor Arbiter, such ruling is deemed final and conclusive, unless there is grave abuse of discretion.⁶⁵

The employment relationship between Filipino oceangoing seafarers and their employers is governed by the Labor Code and its various implementing rules and regulations, including the Amended Rules on Employee Compensation

⁵⁵ *Id.* at 50–51.

⁵⁶ *Id.* at 51–52.

⁵⁷ *Id.* at 55–56.

⁵⁸ *Id.* at 18–27. Petition for Review.

⁵⁹ *Id.* at 27–30.

⁶⁰ *Id.* at 30–34.

⁶¹ *Id.* at 34–35.

⁶² *Id.* at 469–479. Comment and/or Opposition to the Petition for Review.

⁶³ *Id.* at 479.

⁶⁴ *Coca-Cola Femsa Phils., Inc. v. CCFP-MMUCSU-AWATU*, 915 Phil. 655, 666–667 (2021) [Per J. Gaerlan, Second Division]; *Toyo Seat Phils. Corp. v. Velasco*, 897 Phil. 887, 901–902 (2021) [Per J. Gaerlan, First Division].

⁶⁵ *Atienza v. TKC Heavy Industries Corp.*, 905 Phil. 225 (2021) [Per J. Gaerlan, First Division]; *Toyo Seat Phils. Corp. v. Velasco*, *id.*

(AREC),⁶⁶ as well as Republic Act No. 8042, otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995. Under Section 23.b.1. of Republic Act No. 8042, the POEA has regulatory and management powers over “overseas employment from the pre-employment stage,” with the aim of “securing the best possible employment terms and conditions for overseas Filipino workers”. Pursuant to this mandate, the POEA issues standard employment contracts to govern the employment of overseas Filipino workers. One of these standard employment contracts is the POEA-SEC for Filipino oceangoing seafarers, under which Hisanza was hired.⁶⁷

The threshold issue at bar is the validity of the company physicians December 2017 assessment. On this point, Section 20.A.2. of the POEA-SEC provides:

2. If the injury or illness requires medical and/or dental treatment in a foreign port, the employer shall be liable for the full cost of such medical, serious dental, surgical and hospital treatment as well as board and lodging until the seafarer is declared fit to work or to be repatriated. *However, if after repatriation, the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time he is declared fit or the degree of his disability has been established by the company-designated physician.* (Emphasis supplied)

The POEA-SEC and the AREC give the employer 120 days to treat the seafarer and establish his or her medical condition. This period may be extended by an additional 120 days if the seafarer still needs medical attendance.⁶⁸ The employer, through its designated physician, is required to assess⁶⁹ the claimant-seafarer’s medical condition after undergoing the treatment required by the regulations. This assessment forms the basis for the grant of disability benefits to the seafarer,⁷⁰ who is then allowed to contest such assessment in accordance with the procedure in Section 20.A.3. of the POEA-SEC.

The POEA-SEC requires the employer to declare either the seafarer’s fitness to work or the degree of their disability. Such declaration must be a

final, conclusive, and definite medical assessment[.] [It] 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

⁶⁶ Amended Rules on Employee Compensation, as amended (July 21, 1987); *Bunayog v. Foscon Shipmanagement, Inc.*, G.R. No. 253480, April 25, 2023 [Per J. Gaerlan, *En Banc*].

⁶⁷ POEA Memorandum Circular No. 010-10, Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships, October 26, 2010.

⁶⁸ POEA Memorandum Circular No. 010-10, Sec. 20(A)(2) and (3); AREC, Rule X, Sec. 2(a); *Pastrana v. Bahia Shipping Services*, 873 Phil. 892, 903 (2020) [Per J. Caguioa, First Division].

⁶⁹ Section 20.A.2. of the POEA-SEC uses the word “establish”.

⁷⁰ POEA Memorandum Circular No. 010-10, Sec. 20(A)(3) and (6) in relation to AREC, Rule X, Sec. 2(a).

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has exhausted all possible treatment options within the periods allowed by law.⁷¹

The assessment must have sufficient basis; it cannot be incomplete, doubtful, tentative, or provisional.⁷² A final assessment declaring that the seafarer has been cleared of an illness is not considered a definitive assessment.⁷³ Failure to make a definitive assessment within the reglementary treatment period gives rise to a conclusive presumption that the seafarer is totally and permanently disabled.⁷⁴

We quote the December 2017 assessment in full:

December 05, 2017

MS. RHODA S. TABOADA
OIC-LEGAL & CLAIMS
BRIGHT MARITIME CORPORATION

RE: ADAN G. HISANZA
AB / NAVIOS ETOILE /
May 29, 2017 190 day/s
10th Progress Report

Dear MS. RHODA S. TABOADA:

MR. ADAN G. HISANZA followed up on 04 December 2017

Objective Complaints
Mild low back pain particularly in the morning upon waking up

⁷¹ *Jebsens Maritime, Inc. v. Mirasol*, 854 Phil. 241, 248–249 (2019) [Per J. Caguioa, Second Division]. See also *Mabalot v. Maersk-Filipinas Crewing*, 910 Phil. 33, 44 (2021) [Per J. Hernando, Second Division]; *Blue Manila, Inc. v. Jamias*, 894 Phil. 462 (2021) [Per J. M.V. Lopez, Second Division]; *Orient Hope Agencies, Inc. v. Jara*, 832 Phil. 380 (2018) [Per J. Leonen, Third Division].

⁷² *Orient Hope Agencies, Inc. v. Jara*, *id.*

⁷³ *Salas v. Transmed Manila Corp.*, 874 Phil. 201, 212 (2020) [Per J. Perlas-Bernabe, Second Division]; *Quines v. United Philippine Lines, Inc.*, 903 Phil. 297, 312 (2021) [Per J. Lazaro-Javier, Second Division], where the last assessments stated that “there is no absolute cardiovascular indication to petitioner’s resumption of seafaring duties.” “patient still has episodes of dizziness and chest pain” and “not permanently unfit for sea duties;” *Palada v. Crossworld Marine Services Kapal (Cyprus), Ltd.*, 897 Phil. 476, 481 (2021) [Per J. Inting, Third Division]; *Reyes v. Magsaysay Mitsui OSK Marine, Inc.*, 903 Phil. 458, 465 (2021) [Per J. J.Y. Lopez, Third Division], where the final assessment declared that the claimant seafarer was cleared “orthopedic wise”; *Lemoncito v. BSM Crew Service Centre Philippines, Inc.*, 870 Phil. 130 (2020) [Per J. Lazaro-Javier, First Division], where the final assessment declared that the claimant seafarer was “now cleared cardiac wise;” *Career Philippines Shipmanagement, Inc. v. Silvestre*, 823 Phil. 44 (2018) [Per J. Peralta, Second Division], where the final assessment stated that the claimant’s lacerated wound has healed. In *Philippine Transmarine Carriers, Inc. v. Manalo*, G.R. No. 237077, April 18, 2018 [Minute Resolution, First Division], we denied the employer’s appeal on the ground that “the March 14, 2014 Final Medical Report, which cleared [the seafarer] of his thyroid medical condition by the company-designated physician, was not the declaration required by the POEA-Standard Employment Contract. It was therefore by operation of law that brought forth the conclusive presumption that [the] respondent [seafarer] was totally and permanently disabled.”

⁷⁴ *Salas v. Transmed Manila Corp.*, *id.*; *Kestrel Shipping Co., Inc., et al. v. Munar*, 702 Phil. 717, 734–735 (2013) [Per J. Reyes, First Division].

Subjective Complaints

Tender lumbar spine area

Paralumbar muscles are loose

Straight leg raising test is positive at 30 degrees

Trunk range of motion is full

Assessment

Desiccated Disk L4L5 with Lumbar Radiculopathy

Plans

Funxion 75 mg once a day, Vitamin B-Complex once a day and Celebrex 200mg 2x a day were prescribed[.] Physical therapy is continued[.]

In the interim, based on the 120[-]day rule, an interim disability grade of 11 is given, POEA Contract section 32, Chest-trunk-spine #6 slight rigidly or one third (1/3) loss of motion or lifting power of the trunk.

Thank you very much.

[signed]

NATALIO G ALEGRE II, M.D.

Attending Physician⁷⁵

The assessment, which bore the heading **10th Progress Report**, was issued at the 190th day of treatment, i.e., 50 days before the expiry of the 240-day treatment period. The Grade 11 disability rating relied upon by respondents and the tribunals *a quo* was clearly described as an *interim rating*. It is thus plain to see that the assessment is neither final nor definitive, as it still left something to be done, with almost two months left in the extended treatment period.

In *Reyes v. Magsaysay Mitsui OSK Marine, Inc.*,⁷⁶ We reiterated a line of cases disregarding similarly tentative assessments and awarding the seafarer permanent disability benefits by operation of law:

Here, the Court cannot consider the company-designated physicians' finding of petitioner's fitness to work, because it is deficient. While it cannot be denied that petitioner was receiving medical attention from the company-designated physicians for more than four (4) months since his repatriation, even returning for subsequent check-ups on October 14, 2009, as well as November 18, 2009, a perusal of the Final Report dated December 18, 2009 would reveal that the same is not definite and conclusive; similar to the antecedents in *Island Overseas Transport Corp., Carcedo, and Multinational*, despite petitioner being discharged from a physical therapy program, he was still given home instructions for further treatment, thus only being cleared from an "orthopedic standpoint." With such statements, the company-designated physicians, in effect, admit that the pain experienced by petitioner continues to subsist and that it is through complying with further home instructions that it would be expected to improve. Neither was there a clear indication as to what kind of

⁷⁵ *Id.* at 125. December 5, 2017 Medical Report.

⁷⁶ 903 Phil. 458 (2021) [Per J. J.Y. Lopez, Third Division].

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rehabilitation was necessary, nor a specific period within which to abide with such home instructions.⁷⁷

Here, Hisanza was not even discharged from his physical therapy regimen. The company physician clearly recommended that he continue his medication *and physical therapy*. Despite the clear *ad interim* character of the assessment and the considerable amount of time left in the treatment period, Bright informed Hisanza that it will no longer shoulder further treatments. Bright, by its own admission,⁷⁸ unilaterally declared an interim assessment final and used it to justify the premature stoppage of Hisanza's treatment, in breach of its obligations under the POEA-SEC.⁷⁹

There being no final and definitive assessment of Hisanza's condition and seafaring fitness upon the lapse of the 240-day extended treatment period, he should be deemed totally and permanently disabled by operation of law and accordingly entitled to the appropriate disability compensation. The NLRC thus committed grave abuse of discretion when it denied Hisanza's motion for reconsideration without passing upon this threshold issue; and the CA committed reversible error in affirming such ruling.

Hisanza's belated pleader of the issue on reconsideration before the NLRC is not fatal to his case. Article 227 of the Labor Code relaxes the strict application of the rules on evidence in labor cases and authorizes the NLRC and the Labor Arbiters to exercise all just and reasonable means to establish the facts in each case.⁸⁰ More importantly, proceedings before the labor adjudication agencies are administrative in nature and are therefore not strictly bound by technical rules of procedure.⁸¹ The validity of the December 2017 assessment was raised before the NLRC in the proper course of appeal, with the relevant evidence needed for its resolution already submitted. Crucially, respondents were adequately heard on the matter before the NLRC, the CA, and this Court.⁸²

⁷⁷ *Id.* at 469–470.

⁷⁸ *Rollo*, p. 135. Respondents' Position Paper.

⁷⁹ *Cf. Mabalot v. Maersk-Filipinas Crewing*, 910 Phil. 33, 44 (2021) [Per J. Hernando, Second Division], where the seafarer's claim for disability benefits was dismissed for being premature, as it was filed prior to the termination of his mandatory treatment with the company physician. The last pre-dispute assessment was interim and required the seafarer to undergo further treatment; but instead of reporting for further treatment, he obtained an unfit-to-work declaration from another doctor and used it to claim disability benefits.

⁸⁰ *See also Castillo, et al. v. Prudential Life Plans, Inc.*, 730 Phil. 497, 515–516 (2014) [Per J. Del Castillo, Second Division]; *Kapisanan ng mga Manggagawa sa Alak v. Hamilton Distillery Co.*, 144 Phil. 521, 525 (1970) [Per J. Barredo, *En Banc*].

⁸¹ *Buban v. Dela Peña*, G.R. No. 268399, January 24, 2024 [Per J. J.Y. Lopez, Second Division]; *Reliable Industrial and Commercial Security Agency, Inc. v. Court of Appeals*, 910 Phil. 65, 72–73 (2021) [Per J. Lazaro-Javier, First Division]; *Gelmart Industries Phil., Inc. v. National Labor Relations Commission*, 256 Phil. 166, 169 (1989) [Per J. Feliciano, Third Division]; *C.W. Tan Mfg. v. National Labor Relations Commission*, 252 Phil. 246 (1989) [Per J. Gancayco, First Division]; *Cebu Institute of Technology v. Ople*, 240 Phil. 591 (1987) [Per J. Cortes, *En Banc*].

⁸² Respondents discussed the assessment validity issue in the following pleadings: Comment on Hisanza's motion for reconsideration before the NLRC (*rollo*, pp. 292–297), Comment and/or Opposition to

As Hisanza is considered permanently and totally disabled *ipso jure* by virtue of his employers' failure to issue a valid final assessment and their reliance on an interim assessment to justify the premature cessation of the required treatment under the POEA-SEC, the issue regarding the lack of a third-doctor referral has been rendered moot.

There being no evidence to justify any personal liability on the part of respondents Sillar, Georgios, Ebron, Mendoza, Taboada, Stefanou, and Dabuco in connection with Hisanza's claims, the obligation should vest upon respondents Bright and Navios only, being the parties named in the employment contract.⁸³

Under Section 32 of the POEA-SEC and its disability allowance schedule, the award for total and permanent disability (treated as impediment grade 1) is USD 60,000.00 [USD 50,000.00*120.00%].⁸⁴ We find no reason to reverse the unanimous award of attorney's fees by all three tribunals *a quo*. In labor proceedings, withholding of wages or benefits need not be attended by malice or bad faith to merit an award of attorney's fees; all that is needed is that lawful wages or benefits be unjustifiably withheld, thereby compelling the employee to litigate.⁸⁵ We also find no cogent reason to reverse the common rulings of the RAB, the NLRC, and the CA on moral and exemplary damages, there being no recorded indication of any bad faith or malicious conduct on the part of respondents that would entitle Hisanza to such damages. Finally, the total judgment award shall earn interest at the legal rate, following case law.⁸⁶

ACCORDINGLY, the petition is **PARTIALLY GRANTED**. The December 14, 2021 Decision and the January 4, 2023 Resolution of the Court of Appeals in CA-G.R. SP No. 168160 are **REVERSED** and **SET ASIDE** insofar as it awarded USD 7,465.00 in disability benefits and PHP 98,559.00 in sickness allowance to petitioner Adan De Guzman Hisanza. Judgment is hereby rendered **ORDERING** respondents Bright Maritime Corporation and Navios Shipmanagement, Inc. to solidarily **PAY** Adan De Guzman Hisanza a disability benefit of USD 60,000.00 or its Philippine peso equivalent, and 10% of said amount as attorney's fees. The monetary awards shall earn interest at the rate of 6% per annum from the date of finality of this Decision until full payment.

Hisanza's motion for reconsideration before the CA (*id.* at 447–451), and Comment and/or Opposition before the Supreme Court (*id.* at 476–478).

⁸³ *Rollo*, p. 63. Employment Contract dated November 10, 2016.

⁸⁴ *See also Dalusong v. Eagle Clarc Shipping Phils., Inc.* 742 Phil. 377, 382–383 (2014) [Per Acting C.J. Carpio, Second Division]; *Magsaysay Maritime Corporation v. Lobusta*, 680 Phil. 137, 152 (2012) [Per J. Villarama, First Division]; *Vergara v. Hammonia Maritime Services, Inc.*, 588 Phil. 895, 907 (2008) [Per J. Brion, Second Division].

⁸⁵ *Atienza v. TKC Heavy Industries Corp.*, 905 Phil. 225, 258–259 (2021) [Per J. Gaerlan, First Division], quoting *Alva v. High Capacity Security Force, Inc.*, 820 Phil. 677, 688–689 (2017) [Per J. A.B. Reyes, Jr., Second Division].

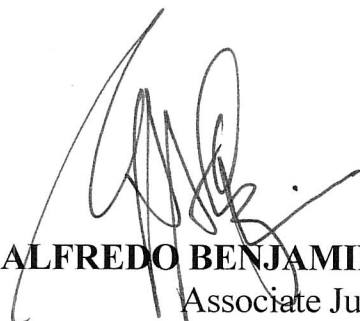
⁸⁶ *Reyes v. Magsaysay Mitsui OSK Marine, Inc.*, 903 Phil. 458, 472 (2021) [Per J. J.Y. Lopez, Third Division], citing *Nacar v. Gallery Frames*, 716 Phil. 267, 282–283 (2013) [Per J. Peralta, *En Banc*].

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SO ORDERED.


SAMUEL H. GAERLAN
Associate Justice

WE CONCUR:


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

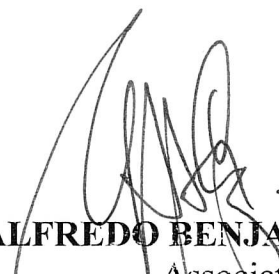
(On official business)
HENRI JEAN PAUL B. INTING
Associate Justice


JAPAR B. DIMAAMPAO
Associate Justice


MARIA FILOMENA D. SINGH
Associate Justice

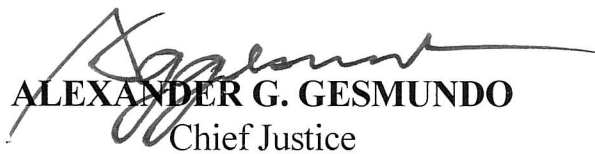
ATTESTATION

I attest 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.


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution and the Division Chairperson's Attestation, 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

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