Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

STRONGHOLD INSURANCE COMPANY, INCORPORATED, Petitioner,	**G.R. No. 194328**
	Present:
- versus -	SERENO, *C.J.*, Chairperson, LEONARDO DE-CASTRO, BERSAMIN, PEREZ, and PERLAS-BERNABE, *JJ.*
INTERPACIFIC CONTAINER SERVICES and GLORIA DEE CHONG, Respondents.	Promulgated: JUL 0 1 2015

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DECISION

PEREZ, *J.:*

This is a Petition for Review on *Certiorari*[1] assailing the 30 July 2010 Decision[2] of the Court of Appeals in CA-G.R. CV No. 80557, which affirmed the 7 October 2003 Decision of the Regional Trial Court (RTC) of Caloocan City directing the petitioner Stronghold Insurance Company Incorporated to pay respondents Interpacific Container Services and Gloria Dee Chong the sum of ₱550,000.00 representing their insurance claim. The dispositive portion of the assailed decision reads:

> **WHEREFORE**, premises considered, the appeal is **PARTLY GRANTED**. The assailed decision dated October 7, 2003 of the Regional Trial Court of Caloocan City, Branch 130 is **AFFIRMED** with the **MODIFICATION** that the P50,000.00 exemplary damages is hereby **DELETED**.

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1 *Rollo*, pp. 11-29.

2 Id. at 32-43; Penned by Associate Justice Amelita G. Tolentino with Associate Justices Normandie B. Pizarro and Ruben C. Ayson concurring.

The Facts

Respondent Gloria Dee Chong is the owner of the Fuso truck with Plate No. PWH 512. The vehicle was insured by petitioner Stronghold Insurance Company under Commercial Vehicle Policy No. 279675.[3] The comprehensive motor car insurance policy for ₱15,306.45 undertook to indemnify the insured against loss or damage to the car and death or injury caused to third persons by reason of accident.

While the policy was in effect, the vehicle figured in an accident along National Highway in Brgy. Palihan, Hermosa, Bataan resulting in the death of four (4) persons while seriously injuring three (3) others. Two (2) vehicles were also heavily damaged as a result of the accident.

Pursuant to the provisions of the insurance contract, respondent Chong filed a claim for the recovery of the proceeds of her policy in the amount of ₱550,000.00, broken down as follows:

Comprehensive Third Party Liability (CTPL) ----- ₱ 50,000.00
Own Damage (OD) ---------- ₱300,000.00
Excess / Bodily Injury (BI) ---------- ₱100,000.00
Third Party Liability (TPL) ---------- ₱100,000.00

Total ---------- ₱550,000.00[4]

The claim was, however, denied by the insurance company on the ground that at the time the accident took place the driver of the insured vehicle was heavily drunk as shown in the *Pagpapatunay* issued by Barangay Chairman Rafael Torres and the Medico Legal Certificate which was signed by a certain Dr. Ferdinand Bautista.

The denial of the claim prompted respondents to initiate an action for the recovery of sum of money against petitioner before the RTC of Caloocan City, Branch 130. In their Complaint docketed as Civil Case No. C-18278, respondents alleged that their claim was unjustly denied by the insurance company. They argued that there was no sufficient proof to support the claim of the petitioner that the driver was drunk at the time of the incident underscoring the lack of mention of such crucial fact in the police blotter report documenting the incident. For lack of justifiable reasons to avoid the

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3 Id. at 45-46.
4 Id. at 33.

policy, respondents insisted that petitioner is liable to deliver their claim pursuant to the terms of the insurance contract.[5]

In refuting the allegations in the complaint, petitioner averred that the intoxication of the driver of the insured vehicle legally avoided the liability of the insurance company under the policy. Petitioner further claimed that the insured violated Section 53 of Republic Act No. 4136 (Land Transportation and Traffic Code) which prohibits driving of motor vehicles under the influence of alcohol. Since the driver of the insured vehicle was found drunk at the time of the accident, the denial of the insurance claim of by the respondents is therefore justified under provisions of the insurance contract and the existing statutes.[6]

After the pre-trial conference, trial on the merits ensued. During the hearing, both parties adduced testimonial and documentary evidence to support their respective positions.

On 7 October 2003, the RTC rendered a Decision[7] in favor of the respondents thereby ordering the petitioner to deliver the amount of ₱550,000.00 representing the proceeds of the insurance contract. According to the court *a quo*, petitioner failed to prove by *prima facie* evidence that the driver of the insured vehicle was indeed under the influence of alcohol at the time of the accident thereby making the avoidance of the policy unjustified under the circumstances. The decretal portion of the RTC decision reads:

> **WHEREFORE**, judgment is hereby rendered in favor of the [respondents] Interpacific Container Services and Gloria Dee Chong and against the [petitioner] Stronghold Insurance, Co. Inc. as follows:
>
> (1) Ordering the [petitioner] to pay [respondents] the (insurance claim) under the Third Party Liability Insurance Policy and the Commercial Vehicle Policy Number 279675, in the total amount of FIVE HUNDRED FIFTY THOUSAND PESOS (P550,000.00) broken down as follows:
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> Comprehensive Third Party Liability (CTPL) ----- ₱ 50,000.00
> Own Damage (OD) ---------- ₱300,000.00
> Excess / Bodily Injury (BI) ---------- ₱100,000.00
> TPL/ PD ---------- ₱100,000.00
> ----------
> Total ----------₱550,000.00

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5 Id. at 50-54.
6 Id. at 55-58.
7 Id. at 65-80; Penned by Judge Jaime T. Hamoy.

> plus interest of 12% per annum on the said amount, from February 12, 1997 the date of the accident until fully paid.
>
> (2) Ordering the [petitioner] to pay the amount of ₱50,000.00 as exemplary damages.
>
> (3) Ordering the [petitioner] to pay the amount of ₱100,000.00 as and for attorney's fees.
>
> (4) Ordering the [petitioner] to pay the costs of suit.
>
> The counterclaim of the [petitioner] is dismissed for lack of merit.[8]

On appeal, the Court of Appeals affirmed the findings of the RTC that there was no violation of the contract of insurance but deleted the award for exemplary damages. Resonating the ruling of the trial court, the appellate court dismissed the pieces of evidence presented by the petitioner as mere hearsay without evidentiary value. It underscored the absence of any statement in the police blotter report about the crucial fact of intoxication. On the finding that there was a failure to prove that it is exempted from liability under the contract of insurance, petitioner was adjudged as under obligation to pay respondents their insurance claim in accordance with the provisions of the policy.[9]

Arguing that the Court of Appeals erred in rendering the assailed Decision, petitioner filed this instant Petition for *Certiorari* seeking the reversal of the appellate court's decision on the following grounds:

> I.
>
> THE HONORABLE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR IN NOT APPRECIATING THE CLEAR EVIDENCE OF RESPONDENT'S DRIVER'S INTOXICATION AND DRUNKENNESS;
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> II.
>
> THE HONORABLE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR IN FINDING THE PETITIONER LIABLE FOR THE CLAIMS OF THE RESPONDENTS IN THE ABSENCE OF PROOF;

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8 Id. at 79-80.
9 Id. at 32-43.

III.

THE HONORABLE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR IN AFFIRMING THE IMPOSITION OF INTEREST WHICH IS CONTRARY TO LAW AND JURISPRUDENCE.[10]

The Court's Ruling

The issue nestled in the contentions of parties is whether or not it was proven during the trial that the driver of the insured vehicle was intoxicated at the time of the accident thereby precluding the respondents from claiming the proceeds of the insurance policy.

In insisting that the factual findings reached by the lower courts were fallible, petitioner, in turn, is urging this Court to calibrate the probative value of the evidence adduced during the trial, a task which we do not routinely do, without running afoul to the basic tenet that this Court is not a trier of facts. As a rule, the factual conclusion of the court a *quo* is for that reason recognized by this Court. However, upon a submission that the finding of fact is not supported by the evidence on record, a review of the facts may be taken. Upon proof of the submission, the findings of fact are accordingly corrected.

We reiterate, and follow, the established rule that factual findings of the trial court are entitled to respect and are not to be disturbed on appeal, unless of some facts and circumstances of weight and substance, having been overlooked or misinterpreted, might materially affect the disposition of the case.[11] We apply the rule in the case. The exception has not been shown.

Contrary to the claim of the petitioner, it miserably failed to prove the fact of intoxication during the trial. Aside from the Medico Legal Certificate and the *Pagpapatunay*, which were stripped of evidentiary value because of the dubious circumstances under which they were obtained, the petitioner did not adduce other proof to justify the avoidance of the policy. It must be emphasized that the RTC doubted the authenticity of the Medico Legal Certificate because of the attendant alteration and tampering on the face of the document. In adopting the findings of the trial court, the appellate court

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10 Id. at 17.

11 *Bautista v. Mercado*, 585 Phil. 389, 398 (2008).

reiterated the evidentiary rule that the party alleging violation of the provision of the contract bears the burden of proof to prove the same.

The evident tampering of the medico legal certificate necessitated the presentation by the petitioner of additional evidence to buttress his claim. For instance, petitioner could have adduced affidavits of witnesses who were present at the scene of the accident to attest to the fact that the driver was intoxicated. It did not. Upon the other hand, respondents duly established their right to claim the proceeds of a validly subsisting contract of insurance. Such contract was never denied.

Simply put, he who alleges the affirmative of the issue has the burden of proof, and upon the plaintiff in a civil case rested the burden of proof. Notably, in the course of trial in a civil case, once plaintiff makes out a *prima facie* case in his favor, the duty or the burden of evidence shifts to defendant to controvert plaintiff's *prima facie* case, otherwise, a verdict must be returned in favor of plaintiff. Moreover, in civil cases, the party having the burden of proof must produce a preponderance of evidence thereon, with plaintiff having to rely on the strength of his own evidence and not upon the weakness of the defendant's. The concept of "preponderance of evidence" refers to evidence which is of greater weight or more convincing, than that which is offered in opposition to it; at bottom, it means probability of truth.[12]

What further dampens petitioner's position is the absence of the crucial fact of intoxication in the blotter report which officially documented the incident. Entries in police records made by a police officer in the performance of the duty especially enjoined by law are *prima facie* evidence of the fact therein stated, and their probative value may be substantiated or nullified by other competent evidence.[13] In this case, the lack of statement to the effect that the driver was under the influence of alcohol in the said report is too significant to escape the attention of this Court.

This case involves a contract of insurance, the authenticity and validity of which was uncontested. In exempting insurers from liability under the contract, proof thereof must be clear, credible and convincing. Fundamental is the rule that the contract is the law between the parties and, that absent any showing that its provisions are wholly or in part contrary to

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12 *Davao Light & Power Co., Inc. v. Opeña*, 513 Phil. 160, 179 (2005) citing *Jison v. Court of Appeals*, 350 Phil. 138, 173 (1998).

13 *Lao v. Standard Insurance, Co., Inc.*, 456 Phil. 227, 243 (2003).

law, morals, good customs, public order, or public policy, it shall be enforced to the letter by the courts.[14]

WHEREFORE, premises considered, the instant petition is hereby **DENIED**. The assailed Decision of the Court of Appeals in CA-G.R. CV No. 80557 is hereby **AFFIRMED**.

SO ORDERED.

JOSE PORTUGAL PEREZ
Associate Justice

WE CONCUR:

MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson

TERESITA J. LEONARDO DE-CASTRO
Associate Justice

LUCAS P. BERSAMIN
Associate Justice

ESTELA M. PERLAS-BERNABE
Associate Justice

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14 *Metropolitan Bank v. Wong*, 412 Phil. 207, 216 (2001).

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARIA LOURDES P. A. SERENO
Chief Justice