



**DEL ROSARIO & DEL ROSARIO**

## Shipping and the Law

By: Ruben Del Rosario, Managing Partner, Del Rosario & Del Rosario, December 4, 2006

### **Supreme Court upholds findings of company-designated physician; sustains validity of Release and Quitclaim**

**Synopsis:** Seafarer suffered lumbar sprain and had diabetes. After treatment by the company-designated physician, he was declared "fit to work". After three months, he was paid sickness wages and he signed a release and quitclaim. After eleven months, seafarer filed a claim for benefits and argued that his personal physicians found him "unfit to work" and entitled to Grade 8 disability. The Supreme Court ruled that under the POEA Standard Employment Contract, it is the company-designated physician that determines fitness to work. The company physician extensively treated seafarer and seafarer had no more medical complaints. Seafarer never questioned the competency and assessment of the company physician. In fact, seafarer signed a release and quitclaim which he understood as it was in Filipino wherein he admitted the correctness of the assessment of the company doctor and acknowledged that he could no longer claim for disability benefits

**Facts:** Seafarer was hired as a bosun under the old POEA Standard Employment Contract. He fell from a ladder and suffered lumbar sprain. On November 15, 2000, he was found to have neuromyositis with the waist and diabetes. He was referred to the company doctor for medical treatment. On December 13, 2000, seafarer returned to the clinic with no more complaints of back pains and with normal results of sugar examination, hence, he was declared "fit for duty" by the company doctor. After three (3) months, seafarer executed a Release and Quitclaim and acknowledged the receipt of US\$405.00 as his sickwages. However, on November 27, 2001, seafarer filed a complaint for disability benefit, reimbursement of medical expenses, damages, and attorney's fees. To support his claim, he presented three medical certificates issued by three (3) personal doctors recommending a Grade 8 disability.

The Labor Arbiter dismissed the complaint, holding that seafarer was not entitled to disability benefits because he was declared "fit for duty" and that he executed a release and quitclaim and already received his sickness allowance. Both the NLRC and the Court of Appeals ruled against seafarer. Seafarer elevated his claim to the Supreme Court.

Seafarer avers that the quitclaim he executed is invalid, as the amount he received as consideration therefore was much lower than what he should have received under the POEA Standard Employment Contract. He went on to argue that quitclaims are frowned upon by the Court as they are contrary to public policy.

**Ruling:** The Supreme Court denied the seafarer's petition for review. The Court ruled:

1. Seafarer was declared "fit to work" and thus, he has no more right to claim disability benefits under the contractual provisions of the POEA Standard Employment Contract. The company-designated physician examined and treated seafarer from the time he was repatriated up to his recovery. He was given extensive medical attention. He had no more complaints for back pain and his sugar examination revealed normal results. He was thus declared "fit to work."
2. Seafarer did not question the competency and the assessment of the company doctor when the latter declared him fit for duty or fit to work. He only questioned such declaration after eleven (11) months upon being examined by his personal doctors who only treated said seafarer for one (1) day.
3. Seafarer executed a release and quitclaim in favor of the vessel, around three (3) months after the assessment. From the document itself, the element of voluntariness in its execution is evident.

Seafarer also appears to have fully understood the contents of the document he was signing, as the important provision thereof had been relayed to him in Filipino. Therefore, seafarer admitted the correctness of the assessment of the company doctor and acknowledged that he could no longer claim for disability benefits.

The Court further ruled:

While seafarer may be correct in stating that quitclaims are frowned upon for being contrary to public policy, the Court has, likewise, recognized **"legitimate waivers that represent a voluntary and reasonable settlement of a worker's claim should be respected as the law between the parties. Where the person making the waiver has done so voluntarily, with a full understanding thereof, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as being valid and binding undertaking."**

**Benjamin L. Sarocam vs. InterOrient Maritime Ent. Inc. and Demaco United Ltd., G.R. No. 167813, June 27, 2006, First Division, Justice Romeo Callejo Sr., Ponente**

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