



Republic of the Philippines
SUPREME COURT
Manila

SECOND DIVISION

G.R. No. 78848 November 14, 1988

SHERMAN SHAFER, petitioner,
vs.

HON. JUDGE, REGIONAL TRIAL COURT OF OLONGAPO CITY, BRANCH 75, and MAKATI INSURANCE COMPANY, INC., respondents.

R.M. Blanco for petitioner.

Camacho and Associates for respondents.

PADILLA, J.:

This is a petition for review on certiorari of the Order * of the Regional Trial Court, Olongapo City, Branch 75, dated 24 April 1986 dismissing petitioner's third party complaint filed in Criminal Case No. 381-85, a prosecution for reckless imprudence resulting in damage to property and serious physical injuries.¹

On 2 January 1985, petitioner Sherman Shafer obtained a private car policy, GA No. 0889,² over his Ford Laser car with Plate No. CFN-361 from Makati Insurance Company, Inc., for third party liability (TPL). During the effectivity of the policy, an information³ for reckless imprudence resulting in damage to property and serious physical injuries was filed against petitioner. The information reads as follows:

That on or about the seventeenth (17th) day of May 1985, in the City of Olongapo, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, being then the driver and in actual physical control of a Ford Laser car bearing Plate No. CFN-361, did then and there wilfully, unlawfully and criminally drive, operate and manage the said Ford Laser car in a careless, reckless and imprudent manner without exercising reasonable caution, diligence and due care to avoid accident to persons and damage to property and in disregard of existing traffic rules and regulations, causing by such carelessness, recklessness and imprudence the said Ford Laser car to hit and bump a Volkswagen car bearing Plate No. NJE-338 owned and driven by Felino Ilano y Legaspi, thereby causing damage in the total amount of P12,345.00 Pesos, Philippine Currency, and as a result thereof one Jovencio Poblete, Sr. who was on board of the said Volkswagen car sustained physical injuries, to wit:

1. 2 cm. laceration of left side of tongue.
2. 6 cm. laceration with partial transection of muscle (almost full thickness) left side of face.
3. Full thickness laceration of lower lip and adjacent skin.

which injuries causing [sic] deformity on the face.⁴

The owner of the damaged Volkswagen car filed a separate civil action against petitioner for damages, while Jovencio Poblete, Sr., who was a passenger in the Volkswagen car when allegedly hit and bumped by the car driven by petitioner, did not reserve his right to file a separate civil action for damages. Instead, in the course of the trial in the criminal case, Poblete, Sr. testified on his claim for damages for the serious physical injuries which he claimed to have sustained as a result of the accident.

Upon motion, petitioner was granted leave by the former presiding judge of the trial court to file a third party complaint against the herein private respondent, Makati Insurance Company, Inc. Said insurance company, however, moved to vacate the order granting leave to petitioner to file a third party complaint against it and/or to

dismiss the same. ⁵

On 24 April 1987, the court a quo issued an order dismissing the third party complaint on the ground that it was premature, based on the premise that unless the accused (herein petitioner) is found guilty and sentenced to pay the offended party (Poblete Sr.) indemnity or damages, the third party complaint is without cause of action. The court further stated that the better procedure is for the accused (petitioner) to wait for the outcome of the criminal aspect of the case to determine whether or not the accused, also the third party plaintiff, has a cause of action against the third party defendant for the enforcement of its third party liability (TPL) under the insurance contract.

⁶ Petitioner moved for reconsideration of said order, but the motion was denied; ⁷ hence, this petition.

It is the contention of herein petitioner that the dismissal of the third party complaint amounts to a denial or curtailment of his right to defend himself in the civil aspect of the case. Petitioner further raises the legal question of whether the accused in a criminal action for reckless imprudence, where the civil action is jointly prosecuted, can legally implead the insurance company as third party defendant under its private car insurance policy, as one of his modes of defense in the civil aspect of said proceedings.

On the other hand, the insurance company submits that a third party complaint is, under the rules, available only if the defendant has a right to demand contribution, indemnity, subrogation or any other relief in respect of plaintiff's claim, to minimize the number of lawsuits and avoid the necessity of bringing two (2) or more suits involving the same subject matter. The insurance company further contends that the contract of motor vehicle insurance, the damages and attorney's fees claimed by accused/third party plaintiff are matters entirely different from his criminal liability in the reckless imprudence case, and that petitioner has no cause of action against the insurer until petitioner's liability shall have been determined by final judgment, as stipulated in the contract of insurance. ⁸

Compulsory Motor Vehicle Liability Insurance (third party liability, or TPL) is primarily intended to provide compensation for the death or bodily injuries suffered by innocent third parties or passengers as a result of a negligent operation and use of motor vehicles. ⁹ The victims and/or their dependents are assured of immediate financial assistance, regardless of the financial capacity of motor vehicle owners.

The liability of the insurance company under the Compulsory Motor Vehicle Liability Insurance is for loss or damage. Where an insurance policy insures directly against liability, the insurer's liability accrues immediately upon the occurrence of the injury or event upon which the liability depends, and does not depend on the recovery of judgment by the injured party against the insured. ¹⁰

The injured for whom the contract of insurance is intended can sue directly the insurer. The general purpose of statutes enabling an injured person to proceed directly against the insurer is to protect injured persons against the insolvency of the insured who causes such injury, and to give such injured person a certain beneficial interest in the proceeds of the policy, and statutes are to be liberally construed so that their intended purpose may be accomplished. It has even been held that such a provision creates a contractual relation which inures to the benefit of any and every person who may be negligently injured by the named insured as if such injured person were specifically named in the policy. ¹¹

In the event that the injured fails or refuses to include the insurer as party defendant in his claim for indemnity against the insured, the latter is not prevented by law to avail of the procedural rules intended to avoid multiplicity of suits. Not even a "no action" clause under the policy-which requires that a final judgment be first obtained against the insured and that only thereafter can the person insured recover on the policy can prevail over the Rules of Court provisions aimed at avoiding multiplicity of suits. ¹²

In the instant case, the court a quo erred in dismissing petitioner's third party complaint on the ground that petitioner had no cause of action yet against the insurance company (third party defendant). There is no need on the part of the insured to wait for the decision of the trial court finding him guilty of reckless imprudence. The occurrence of the injury to the third party immediately gave rise to the liability of the insurer under its policy.

A third party complaint is a device allowed by the rules of procedure by which the defendant can bring into the original suit a party against whom he will have a claim for indemnity or remuneration as a result of a liability established against him in the original suit. ¹³ Third party complaints are allowed to minimize the number of lawsuits and avoid the necessity of bringing two (2) or more actions involving the same subject matter. They are predicated on the need for expediency and the avoidance of unnecessary lawsuits. If it appears probable that a second action will result if the plaintiff prevails, and that this result can be avoided by allowing the third party complaint to remain, then the motion to dismiss the third party complaint should be denied. ¹⁴

Respondent insurance company's contention that the third party complaint involves extraneous matter which will only clutter, complicate and delay the criminal case is without merit. An offense causes two (2) classes of injuries the first is the social injury produced by the criminal act which is sought to be repaired thru the imposition of the corresponding penalty, and the second is the personal injury caused to the victim of the crime, which injury is

sought to be compensated thru indemnity, which is civil in nature. ¹⁵

In the instant case, the civil aspect of the offense charged, *i.e.*, serious physical injuries allegedly suffered by Jovencio Poblete, Sr., was impliedly instituted with the criminal case. Petitioner may thus raise all defenses available to him insofar as the criminal and civil aspects of the case are concerned. The claim of petitioner for payment of indemnity to the injured third party, under the insurance policy, for the alleged bodily injuries caused to said third party, arose from the offense charged in the criminal case, from which the injured (Jovencio Poblete, Sr.) has sought to recover civil damages. Hence, such claim of petitioner against the insurance company cannot be regarded as not related to the criminal action.

WHEREFORE, the instant petition is GRANTED. The questioned order dated 24 April 1987 is SET ASIDE and a new one entered admitting petitioner's third party complaint against the private respondent Makati Insurance Company, Inc.

SO ORDERED.

Melencio-Herrera (Chairperson), Paras, Sarmiento and Regalado, JJ., concur.

Footnotes

* Penned by Judge C. Limin.

1 Rollo, pp. 33-34.

2 Rollo, pp. 17-20.

3 *Ibid.*, p. 21-22.

4 *Ibid.*,

5 *Ibid.*, p. 25.

6 *Ibid.*, pp. 33-34.

7 *Ibid.*, p. 38.

8 Memorandum for Respondents, Rollo, pp. 86-93.

9 Sec. 374, Chapter VI, Compulsory Motor Vehicle Liability Insurance, Insurance Code of the Philippines.

10 S 930, 45 CJS, 1050-1051.

11 S 449 7 Am. Jur., 2d, pp. 118-119.

12 *Guigon v. Del Monte*, 20 SCRA 1043, G.R. No. L-22042, 17 August 1967.

13 Revised Rules of Court by Vicente J. Francisco, Vol. 1, p. 506, 2nd ed.

14 *Republic vs. Ramos*, G.R. No. L-18911, April 27, 1967, 19 SCRA 825.

15 *Ramos v. Gonong*, G.R. No. L-42010, August 31, 1976, 72 SCRA 559.