



Republic of the Philippines  
**SUPREME COURT**  
Manila

FIRST DIVISION

**G.R. No. 92383 July 17, 1992**

**SUN INSURANCE OFFICE, LTD.**, petitioner,

vs.

**THE HON. COURT OF APPEALS and NERISSA LIM**, respondents.

**CRUZ, J.:**

The petitioner issued Personal Accident Policy No. 05687 to Felix Lim, Jr. with a face value of P200,000.00. Two months later, he was dead with a bullet wound in his head. As beneficiary, his wife Nerissa Lim sought payment on the policy but her claim was rejected. The petitioner agreed that there was no suicide. It argued, however that there was no accident either.

Pilar Nalagon, Lim's secretary, was the only eyewitness to his death. It happened on October 6, 1982, at about 10 o'clock in the evening, after his mother's birthday party. According to Nalagon, Lim was in a happy mood (but not drunk) and was playing with his handgun, from which he had previously removed the magazine. As she watched television, he stood in front of her and pointed the gun at her. She pushed it aside and said it might be loaded. He assured her it was not and then pointed it to his temple. The next moment there was an explosion and Lim slumped to the floor. He was dead before he fell. <sup>1</sup>

The widow sued the petitioner in the Regional Trial Court of Zamboanga City and was sustained. <sup>2</sup> The petitioner was sentenced to pay her P200,000.00, representing the face value of the policy, with interest at the legal rate; P10,000.00 as moral damages; P5,000.00 as exemplary damages; P5,000.00 as actual and compensatory damages; and P5,000.00 as attorney's fees, plus the costs of the suit. This decision was affirmed on appeal, and the motion for reconsideration was denied. <sup>3</sup> The petitioner then came to this Court to fault the Court of Appeals for approving the payment of the claim and the award of damages.

The term "accident" has been defined as follows:

The words "accident" and "accidental" have never acquired any technical signification in law, and when used in an insurance contract are to be construed and considered according to the ordinary understanding and common usage and speech of people generally. In-substance, the courts are practically agreed that the words "accident" and "accidental" mean that which happens by chance or fortuitously, without intention or design, and which is unexpected, unusual, and unforeseen. The definition that has usually been adopted by the courts is that an accident is an event that takes place without one's foresight or expectation — an event that proceeds from an unknown cause, or is an unusual effect of a known case, and therefore not expected. <sup>4</sup>

An accident is an event which happens without any human agency or, if happening through human agency, an event which, under the circumstances, is unusual to and not expected by the person to whom it happens. It has also been defined as an injury which happens by reason of some violence or casualty to the injured without his design, consent, or voluntary co-operation. <sup>5</sup>

In light of these definitions, the Court is convinced that the incident that resulted in Lim's death was indeed an accident. The petitioner, invoking the case of *De la Cruz v. Capital Insurance*, <sup>6</sup> says that "there is no accident when a deliberate act is performed unless some additional, unexpected, independent and unforeseen happening occurs which produces or brings about their injury or death." There was such a happening. This was the firing of the gun, which was the additional unexpected and independent and unforeseen occurrence that led to the insured person's death.

The petitioner also cites one of the four exceptions provided for in the insurance contract and contends that the private petitioner's claim is barred by such provision. It is there stated:

Exceptions —

The company shall not be liable in respect of

1. Bodily injury

XXX XXX XXX

b. consequent upon

i) The insured person attempting to commit suicide or willfully exposing himself to needless peril except in an attempt to save human life.

To repeat, the parties agree that Lim did not commit suicide. Nevertheless, the petitioner contends that the insured willfully exposed himself to needless peril and thus removed himself from the coverage of the insurance policy.

It should be noted at the outset that suicide and willful exposure to needless peril are *in pari materia* because they both signify a disregard for one's life. The only difference is in degree, as suicide imports a positive act of ending such life whereas the second act indicates a reckless risking of it that is almost suicidal in intent. To illustrate, a person who walks a tightrope one thousand meters above the ground and without any safety device may not actually be intending to commit suicide, but his act is nonetheless suicidal. He would thus be considered as "willfully exposing himself to needless peril" within the meaning of the exception in question.

The petitioner maintains that by the mere act of pointing the gun to hip temple, Lim had willfully exposed himself to needless peril and so came under the exception. The theory is that a gun is *per se* dangerous and should therefore be handled cautiously in every case.

That posture is arguable. But what is not is that, as the secretary testified, Lim had removed the magazine from the gun and believed it was no longer dangerous. He expressly assured her that the gun was not loaded. It is submitted that Lim did not willfully expose himself to needless peril when he pointed the gun to his temple because the fact is that he thought it was not unsafe to do so. The act was precisely intended to assure Nalagon that the gun was indeed harmless.

The contrary view is expressed by the petitioner thus:

Accident insurance policies were never intended to reward the insured for his tendency to show off or for his miscalculations. They were intended to provide for contingencies. Hence, when I miscalculate and jump from the Quezon Bridge into the Pasig River in the belief that I can overcome the current, I have wilfully exposed myself to peril and must accept the consequences of my act. If I drown I cannot go to the insurance company to ask them to compensate me for my failure to swim as well as I thought I could. The insured in the case at bar deliberately put the gun to his head and pulled the trigger. He wilfully exposed himself to peril.

The Court certainly agrees that a drowned man cannot go to the insurance company to ask for compensation. That might frighten the insurance people to death. We also agree that under the circumstances narrated, his beneficiary would not be able to collect on the insurance policy for it is clear that when he braved the currents below, he *deliberately* exposed himself to a *known* peril.

The private respondent maintains that Lim did not. That is where she says the analogy fails. The petitioner's hypothetical swimmer knew when he dived off the Quezon Bridge that the currents below were dangerous. By contrast, Lim did not know that the gun he put to his head was loaded.

Lim was unquestionably negligent and that negligence cost him his own life. But it should not prevent his widow from recovering from the insurance policy he obtained precisely against accident. There is nothing in the policy that relieves the insurer of the responsibility to pay the indemnity agreed upon if the insured is shown to have contributed to his own accident. Indeed, most accidents are caused by negligence. There are only four exceptions expressly made in the contract to relieve the insurer from liability, and none of these exceptions is applicable in the case at bar. \*\*

It bears noting that insurance contracts are as a rule supposed to be interpreted liberally in favor of the assured. There is no reason to deviate from this rule, especially in view of the circumstances of this case as above analyzed.

On the second assigned error, however, the Court must rule in favor of the petitioner. The basic issue raised in this case is, as the petitioner correctly observed, one of first impression. It is evident that the petitioner was acting in good faith then it resisted the private respondent's claim on the ground that the death of the insured was covered by

the exception. The issue was indeed debatable and was clearly not raised only for the purpose of evading a legitimate obligation. We hold therefore that the award of moral and exemplary damages and of attorney's fees is unjust and so must be disapproved.

In order that a person may be made liable to the payment of moral damages, the law requires that his act be wrongful. The adverse result of an action does not *per se* make the act wrongful and subject the act or to the payment of moral damages. The law could not have meant to impose a penalty on the right to litigate; such right is so precious that moral damages may not be charged on those who may exercise it erroneously. For these the law taxes costs. <sup>7</sup>

The fact that the results of the trial were adverse to Barreto did not alone make his act in bringing the action wrongful because in most cases one party will lose; we would be imposing an unjust condition or limitation on the right to litigate. We hold that the award of moral damages in the case at bar is not justified by the facts had circumstances as well as the law.

If a party wins, he cannot, as a rule, recover attorney's fees and litigation expenses, since it is not the fact of winning alone that entitles him to recover such damages of the exceptional circumstances enumerated in Art. 2208. Otherwise, every time a defendant wins, automatically the plaintiff must pay attorney's fees thereby putting a premium on the right to litigate which should not be so. For those expenses, the law deems the award of costs as sufficient. <sup>8</sup>

WHEREFORE, the challenged decision of the Court of Appeals is AFFIRMED in so far as it holds the petitioner liable to the private respondent in the sum of P200,000.00 representing the face value of the insurance contract, with interest at the legal rate from the date of the filing of the complaint until the full amount is paid, but MODIFIED with the deletion of all awards for damages, including attorney's fees, except the costs of the suit.

SO ORDERED.

*Griño-Aquino, Medialdea and Bellosillo, JJ., concur.*

#### Footnotes

1 TSN, October 1, 1985, pp. 25-30.

2 Decided by Judge Omar J. Amen.

3 Penned by Justice Nicolas P. Lapeña, Jr., with Campos. Jr. and Cui, *JJ.*, concurring.

4 43 Am. Jur. 2d 627.

5 *Ibid.*, p. 628.

6 17 SCRA 559.

\*\* Exceptions

The Company shall not be liable in respect of

1. bodily injury

a) sustained

i) while the Insured Person is engaging in (or practicing for or taking part in training peculiar to) any of the Excluded Activities.

ii) by any person before such person attains the Lower Age Limit or after the expiry of the Period of Insurance during which such person attains the Upper Age Limit.

b) consequent upon

i) the Insured Person committing or attempting to commit suicide or wilfully exposing himself to needless peril except in an attempt to save human life.

ii) war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, or military or usurped power.

2. bodily injury or Death Disablement or Medical Expenses consequent upon or contributed to by the Insured Person

a) having taken a drug unless the Insured proves that the drug was taken in accordance with proper medical prescription and directions and not for treatment of drug addiction.

b) suffering from pre-existing physical or mental defect or infirmity which had not been declared to and accepted in writing by the Company.

3. Death Disablement or Medical Expenses consequent upon or contributed to by the Insured Person being pregnant or suffering from sickness or disease not resulting from bodily injury or suffering from bodily injury due to a gradually operating cause.

4. Risks of Murder and Assault.

7 Barreto vs. Arevalo, 99 Phil. 771.

8 Rizal Surety vs. Court of Appeals, 20 SCRA 61.