JAPAN P&I CLUB
日本船主責任相互保険組合

No.1402
16 November 2026

JAPAN P&I NEWS

To the Members

**[Philippines Legal Update] Supreme Court Upholds Validity of Final Disability Assessment Issued Beyond 120 Days**

We have obtained a circular from Del Rosario & Del Rosario, our correspondents in Manila, regarding a recent Supreme Court decision upholding the validity of a final disability assessment issued beyond 120 days from repatriation.

In this Supreme Court decision (G.R. No. 267588), the Court affirmed the validity of a final disability assessment declaring an Oiler, who sustained a left knee injury on board and was repatriated, "fit to work" issued beyond 120 days (on the 123rd day post-repatriation) with sufficient medical justification provided by the company-designated physician (CDP). For further details, please refer to the attached "Del Rosario & Del Rosario Circular 09 September 2026 (Issue 2026.07)".

Additionally, below is the commentary provided by Del Rosario & Del Rosario regarding the traditional "120/240-Day Rule" in the Philippines, which forms the background of this Supreme Court ruling, as well as their perspective on future outlooks following the enactment of the Magna Carta of Filipino Seafarers (Republic Act No. 12021, hereafter "Magna Carta").

**Del Rosario & Del Rosario's Commentary on the Background and Future Prospects**
Their commentary and perspective are set out below.

**Traditional 120/240-Day Rule**
Under the Philippine Overseas Employment Administration (POEA) Standard Employment Contract and the original decision of the Supreme Court, the CDP is expected to issue a final medical assessment within 120 days from the seafarer's repatriation. Otherwise, the seaman will be automatically considered permanently and totally disabled by operation of law.

The rule was relaxed by another Court decision which states that where further medical treatment is required and there is sufficient medical justification, the treatment period may be extended up to 240 days.

The significance of the rule arose from numerous cases where no final assessment was issued within the 120 days period. In such circumstances, courts often considered the disability to be total and permanent by operation of law. As a result, disputes frequently focused on whether the extension beyond 120 days was medically justified and whether the final assessment was timely and properly issued.

The Supreme Court decision discussed in our update reaffirms that a final assessment issued beyond 120 days is not automatically invalid. What remains critical is the existence of adequate medical justification for extending the treatment period and the continuous monitoring and treatment of the seafarer by the CDP. If there is sufficient justification as to why treatment breached the 120-day period, then the same is validly extended to 240 days.

**Importance of Monitoring Future Cases Under the Magna Carta for Seafarers (RA 12021)**
Future developments should be closely monitored because the Magna Carta of Filipino Seafarers introduces provisions that may affect how disability claims are assessed and resolved.

Section 57 of RA 12021 provides that disability compensation shall not be determined solely by the number of days that a seafarer remains under treatment. This appears to move away from the central role historically played by the 120/240-day framework in disability claims.

However, since the law is relatively new, there is still no jurisprudence interpreting its provisions. It remains to be seen how courts will reconcile the new statutory framework with the substantial body of previous Supreme Court decisions that developed under the previous regime. For this reason, shipowners and other stakeholders should continue to monitor future cases closely, particularly those addressing the assessment of disability, the role of medical evaluations, and the continuing relevance, if any, of the traditional 120/240-day rule.

Yours faithfully,

**The Japan Ship Owners' Mutual Protection & Indemnity Association**

**Attachment:** Del Rosario & Del Rosario Circular 09 September 2026 (Issue 2026.07)

DELROSARIO

# PHILIPPINE SHIPPING UPDATE

## MANNING INDUSTRY

*By: Ruben Del Rosario, President, Del Rosario Pandiphil Inc., 09 September 2026 (Issue 2026/07)*

---

## Court Upholds Validity of Final Disability Assessment Issued Beyond 120 Days

Seafarer was engaged as Oiler who hurt his left knee while on-board. He was seen by a shore doctor and was eventually repatriated. Seafarer was then referred to the company-designated physician (CDP) and he underwent MRI followed by wound debridement and quadriceps tendon repair. It was noted that after his surgery and continued physical therapy, seafarer's condition was vastly improving. Prior to 120 days having lapsed, the CDP advised him to continue his physical therapy and to further undergo functional assessment at his next follow-up which was beyond 120 days from repatriation (123rd day). On the 123rd day, the CDP issued a final disability assessment declaring the seafarer fit to work. This assessment was contested by the seafarer by presenting the medical opinion of his own doctor finding him unfit for sea duty.

The dispute was referred to a Panel of Voluntary Arbitrators (PVA) who found the seafarer entitled to full disability benefits by operation of law considering that the final assessment was issued beyond 120 days from repatriation. The Court of Appeals affirmed the PVA decision as it found no sufficient justification issued by the CDP to extend the treating period from 120 to 240 days.
When the case reached the Supreme Court, the award was nullified.

**Sufficient justification to extend the 120-day treating period**
The core issue revolved around whether the CDP was justified, under the circumstances, in issuing his final medical assessment beyond the initial 120-day period, specifically on the 123rd day. The Court held that the issuance of the final medical assessment on the 123rd day was justified under the circumstances. It bears noting that on the 109th day, the company doctor issued a medical report which states that seafarer's condition has improved although he claims to have left knee pain when going down the stairs. There is note of a functional left knee range of motion and improving left quadriceps strength. He was advised to continue his physical therapy and to undergo functional assessment on the 123rd day for re-evaluation.

From the above report, the CDP found sufficient reason to extend the treating period beyond 120 days considering that during the last medical check-up, the seafarer still complained of knee pain although his condition was improving. To address this, he was advised to undergo further therapy and functional assessment at his next consultation which was the 123rd day. There being an ample justification on the part of the CDP to extend the issuance of the final medical assessment beyond the initial 120-day period, releasing it on the 123rd day did not automatically render the seafarer's disability as total and permanent.

**Findings of the CDP given more weight**
The assessment of the CDP is more credible. The seafarer failed to show the extent of the treatment given by his doctor of choice until a final report was issued. In contrast, the CDP reports would show that seafarer was provided with

extensive treatment and care since his repatriation. All the procedures, tests, therapies and consultations underscore the consistent and thorough medical attention that the CDP provided throughout the seafarer's treatment period. Thus, the CDP report which declared the seafarer fit to work could not have been biased and lacking in scientific basis. With the foregoing, respondent is bound by the fit-to-work assessment of the CDP.

*Orophil Shipping International Co., Inc. and/or Santoku Senpaku Co., Ltd., v. L.L.N., G.R. No. 267588, January 27, 2026; Third Division, Associate Justice Henri Jean Paul Inting, ponente; (Attys. Charles Dela Cruz and David Valencia of DelRosarioLaw handled for vessel interests)*

---

***Areas of Specialization:*** *Labour & personal injury, litigation and dispute resolution, corporate and commercial, shipping and admiralty, intellectual property, cargo claims and charter party, transport, insurance and reinsurance, arbitration and ADR, immigration.*

*This publication aims to provide commentary on issues affecting the manning industry, analysis of recent cases and updates on legislation. It is meant to be brief and is not intended to be legal advice. To subscribe or for further information, please email* ***ruben.delrosario@delrosario-pandiphil.com*** .

*Del Rosario Pandiphil Inc. / Del Rosario & Del Rosario*
*Office Address: DelRosarioLaw Centre, 21st Drive corner 20th Drive, Bonifacio Global City,*
*Taguig, Metro Manila, Philippines*
*Telephone: 63 2 8810 1791 / 63 2 5317 7888 Fax: 63 2 5317 7890*
*24/7 Emergency Mobile: (63) (917) 830-8384;*
***mail@delrosario-pandiphil.com***; ***www.delrosario-pandiphil.com***