

Law of Insurance
Semester VIII & X
B.A.LL.B. (Hons.) – Session – January-May, 2019

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Insurance acts as an important tool in providing a sense of security to the society on a whole. Law of Insurance plays a significant role in regulating the conduct of the Insurance Companies and protecting the interests of the Policy Holders through the Insurance Regulatory and Development Authority.

Insurance may be described as a social device to reduce or eliminate risk of life and property. Under the plan of insurance, a large number of people associate themselves by sharing risk through contributing small premiums attached to individuals. The risk can be insured against Life, Fire, Marine, Motor Vehicle, & burglary. Any risk contingent upon these may be insured against at a premium commensurate with the risk involved.

Insurance is a contract; the general principles of law of contract are applicable to the law of Insurance. The contract of Insurance is between two parties whereby one party called Insurer or Under writer who under takes the risk in consideration for a fixed sum called premium to pay the other party known as Insured or Policy Holder on happening of an uncertain event. Insurance is a contract whereby, in return for the payment of premium by the insured, the insurers make good the losses suffered by the insured as a result of the occurrence of unforeseen events. An insurer is a company selling the insurance, an insured or policyholder is the person or entity buying the insurance which is instrumental in the growth of Capital Market as well as the Nation's economy.

This course is divided into Five Modules. The First module deals with the Historical perspective, growth of Insurance business in India and nature of Insurance contract. The Second module discusses thoroughly the kinds of Insurance, General principles of Insurance and Establishment and Functioning of LIC. The Third module explores the area of nature and scope of Marine Insurance, perils of the sea and assignment of Marine Policy. The Fourth module talks about Nature of Fire Insurance Contract, Special doctrines of Reinstatement, Subrogation and Contribution, double insurance and reinsurance. The Fifth and last module exclusively deals with purpose of compulsory insurance, Motor Vehicle Insurance and rights of third parties, Burglary Insurance, Adjudicating Authorities of Insurance Claims, Powers and Functions of the Insurance Regulatory and Development Authority.

Module – I Introduction

- History and Growth of Insurance Business in India
- Definition of Insurance and Nature of Insurance Contract
- Insurance Contract-A Contract of Indemnity
- Contingent Contract and Insurance
- Wager and Insurance
- Utmost good faith and Insurance

- Principles of Insurance

Module – II Life Insurance

- Kinds of Insurance-Life, Fire, Marine and Motor Vehicles Insurance
- General Principle of Insurance
 - a) Insurable interest- In Life, Fire and Marine
 - b) Premium
 - c) Risk-scope and elements of risk
- Life Insurance Contract – Nature and Scope
- Establishment and Functioning of LIC

Module – III Marine Insurance

- Nature and scope of Marine Insurance
- Different kinds of marine policies
- Voyage –Deviation
- Implied warranties in marine insurance contract
- Assignment of Marine Policy

Module –IV Fire Insurance

- Nature of Fire Insurance Contract
- Double insurance and reinsurance
- Special Doctrines: Reinstatement, Subrogation and Contribution.

Module – V Motor Vehicle Insurance

- Motor Vehicle Insurance and Rights of third parties
- Burglary Insurance
- Insurance Regulatory and Development Authority; it's power and function

Suggested Readings

1. M.N. Srinivasan, Principles of Insurance Law , Ramaiya Publishers, Bangalore
2. Avatar Singh : Law of Insurance , Eastern Book Company, Lucknow

3. K.S.N. Murthy and KVS. Sharma: Modern Law of Insurance in India, Butterworths, Delhi
4. Haring and Eveanly : General Principles of Insurance
5. Michael Parkington : Insurance Law , Sweet and Maxwell, London
6. Brij Nandan Singh : Insurance Law , University Book Agency, Allahabad, Sweet and Maxwell, London
7. B.C. Mithra : The Law relating to Marine Insurance, The University Book Agency, Allahabad
8. J.V.N. Jiaswal: Law of Insurance, Eastern Book Company, Lucknow
9. John Birds, Modern Insurance Law, Sweet and Maxwell, London