

LLM. IV SEMESTER
SUBJECT – INSURANCE LAW
CODE: L-4003

TOPIC - FIRE INSURANCE

HALSBURY :-

“ It is a contract of insurance by which the insurer agrees for consideration to indemnify the assured up to a certain extent & subject to certain terms & conditions against loss or damage by fire , which may happen to the property of assured during a specific period”.

With strict interpretation Fire Insurance Contract:-

- Provide insurance against loss caused by fire
- Extent of compensation is the extent of insured value
- The insurance company has no interest in the protection of property except the sum assured.
- Sec. 2(61) of Insurance Act , 1938 defines – Fire insurance business means the business of effecting, otherwise incidentally to sum other class of business contracts of insurance against loss by or incidental to fire or other occurrence customarily included among the risk insured against fire insurance Policies.”

Historical Review of development of Fire insurance :-

- Existed as early as in 16th century
- Instance found in Germany where Fire losses were indemnified against premium.
- Main instance of Fire Insurance is great Fire of London 1666
- The first fire insurance company was established in 1681 named as “ The first office”.
- Industrial Revolution the another important cause in the development of Fire insurance.

Law Governing Fire Insurance :-

- No Legislation about Fire insurance in India.
- The Indian insurance sector is mainly regulating by the insurance act 1938
- In the absence of Statutory enactment Indian Court relied on Judicial Pronouncement of English Courts & opinion of Jurist in case of Fire dispute.
- Lucas v. New Zealand Insurance Co. Ltd.
- Nature of fire should be hostile for claim.

Basic Principles :-

- Doctrine of indemnity
- Doctrine of insurable Interest
- Doctrine of Uberrimafidef
- Doctrine of Subrogation
- Doctrine of Contribution
- Doctrine of proximate cause
- Doctrine of warranties

Types of Fire Insurance Policies :-

- Average Policy
- Valued Policy
- Specific Policy
- Reinstatement Policy
- Floating Policy
- Mixed Policies
- Unvalued Policies
- Stock declaration Policy
- Loss of profit Policy

Subject Matter of Fire Insurance :-

- Moveable or Immovable Property
- Destructable by Fire

For further queries you may reach us via..

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