

Thesis Title : Double Insurance
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ABSTRACT

The provision of law concerning holders of double insurance policies is to prevent the insured in making claims from several insurers at the same time as the claim for compensation from several insurers for the actual damages may exceed the actual value of the damaged properties being insured. If this is made possible, the insured will get profit from holding double insurance policies which is not the objective of insurance as provided by law. The profit made by claiming for damages from several insurers will be regarded as gambling. In addition, the law of insurance is also aimed at the moral hazard of all the insured not to look for benefits by having bought double insurance policies and cause damages at his own intention or intention not to safeguard or taking less care of his own properties.

Double insurance is currently governed by Section 870 and 871 of Civil and Commercial Code. It is found from the research that, under such provisions, (i) If two or more contracts of insurance are made simultaneously for the same loss (the insurance contracts are made on the same date), Each insurer must pay a part of the actual loss in proportion to the sum insured by him. ; and (ii) If two or more contracts of insurance are made successively, the first insurer is first liable for the loss. If the amount paid by him is not sufficient to cover the loss, the next insurer is liable for the difference and so on, till the loss is covered. Those lead to unfair practices in the insurance business. In common law countries, the law grants the insured the right to claim payment from the insurers in such order as the insured thinks fit. If any insurer pays more than his proportion of the loss, he is entitled to maintain an action for contribution against the other

insurers. In the author's opinion, the law should provide that all insurers must average the overall loss equally in any event and whether the insurance contracts are made on the same date. In Thai insurance law, there is no law requires the insurer to return the unearned premium which didn't use for risk. The insurer should not keep the unearned premium for his own benefit. Therefore, the law should be amended that the insurer must return a proportionate part of the premiums to the insured. This amendment will be beneficial to and fair for the insured.

The right of contribution occurred at the time of loss so In cases where two or more contracts of insurance have been effected either simultaneously or in succession, the waiver of the right against any one of the insurers shall not affect the right to contribution of the other insurers

It is also found from the research that loss contribution in proportion based on the amount insured for which each is liable under its own contract is unfair for insurers. The appropriate approach to calculate a particular insurer's contribution is based on the amounts of each insurer's liability, as if each was the only insurer.

This thesis is made to study the principles and legal effect in double insurance execution by comparative studies of insurance law of many countries. It includes the analysis of legal aspects and to find the way to solve problems occurring in this matter for establishing fair practices in insurance business.