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**PROBLEMS AROUND INSURANCE AGAINST
ACCIDENTS IN ETHIOPIAN LAW**

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ID.NO. 0119/98

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Introduction

People purchase insurance policies to spread the risks among a great number of individuals. Also such people take do care for unhappening of risks, they can not totally prevent the happening of the risks. Therefore, Insurance give them security to unexpected loss or misfortune by transferring these risks to vast majority of individual because sometimes it is hard to people to prevent the risk by themselves.

From the above explanation we understand that insurance is an important devise of covering risks related with business and personal lives of a great number of people. Therefore, it is defined as a co-operative devise to spread the loss caused a particular risk over a number of persons who are exposed to it and who agree to insure themselves. against that risk.

There are many types of insurance. Insurance against accidents is also one type of it. Due to rapid industrialization, and more use of complex machinery, industrial accidents are more frequent. To cater to the varying and increasing needs, there is form of cover is available. Individuals are granted this cover under insurance against accidents policy. Beyond this kind of insurance there are a number of problems in Ethiopian commercial code. Thus, the paper address such problems.

The paper is organized in three chapters. The first chapter is all about the historical development and the concept of insurance in general.

The second chapter deals with the meaning of accidental and illness insurance and legal principles of them.

The third chapter discusses specific problem surrounding accidental insurance, such as problem related with the definition of insurance against accidents and the luck of special provisions which relating to the issue of insurance against accidents, upon the event of death. Finally conclusion and recommendation will be discussed.

CHAPTER ONE

I. Historical Development of Insurance

Insurance transaction emerged in ancient time. The so called bottomry contracts were known to merchant of Babylon as early as 4000-3000 B.C. under bottomry contracts, loan were granted merchants with the provision that if the shipment was lost sea, the loan did not have to be repaid and the interest on the loan covered the insurance risk.¹ In spite of the fact that another form of insurance existed in that ancient period, the practice was not compiled into a written law up to 1700s B.C. It was the code of Hammurabi a collection of Babylonian laws of the 1700s B.C. That included a form of credit insurance. However, insurance that was not conducted in advanced and conducive situation.²

Modern and advanced insurance business commenced after the passage of several centuries. It is true that insurance had its own in ancient world, nevertheless, the development of insurance as known it today, did not begin until about the fourteenth century. From then onwards, insurance transactions developed highly in many parts of the world for securing various purposeful and lawful economic interests. Many contemporary insurance practices are derived from customs that developed in the later part of the century among individuals who granted at Lloyd's to buy and sell insurance for ships and cargos at the very inception Lloyd's became the dominant insurer of Marine risks to which later added fire and other property.³

In Ethiopia insurance transaction emerged due to the introduction of western civilization. Consequently, the first insurance business was conducted Abyssinian Bank. Until the 1950's there was no local company in Ethiopia. The first local insurance company Imperial Insurance Company was formed in 1950. There were also various agencies which conduct insurance representation foreign insurance companies starting from 1951 up to 1970.⁴

Comprehensive and up to date legislation such as the commercial code, insurance proclamation, insurance regulation and the maritime code were issued by the imperial government. As a result, modern insurance and a well established insurance system over code the transitional way of risk distribution mechanism.⁵

1.1 Definition of Insurance Contract

*Insurance is a contract whereby the insurer, in return for a sum of money called the premium, contracts with the insured to pay specified sum of the happening of specific event, for example death or accident or to indemnify the insured against any loss caused by risk insured against.*⁶

A similar definition is also forwarded by Ethiopian insurance that reads as:-

*an insurance policy is a contract were by a person called the insurer, undertakes against payment of on or more premiums to pay to a person, called the beneficiary, a sum of a money were a specified risk materializes.*⁷

From the aforementioned and other similar definitions we can see some elements. The first one is that insurance is formed by agreements of the two parties in which insurance contract must contain legal requirements which are fulfilled in general contracts.

The second element is also that the parties to an insurance contract are the insurer (under writer:) the insured or the beneficiary. The insurer undertakes to pay insurance benefit or indemnity the insured against the loss specified in the contract. The insured (beneficiary) is protected by insurance contract obliged to premium. Sometimes a third party, called the beneficiary. To whom payment of compensation provided by the contract.

From the third element we can understand that insurance contract purpose is that to transfer risks among a great number of individuals.

The law of the Commercial Code state that:

*The execution of the contract, the insurer undertakes to pay to the insured a sum of money. But, the insurer may instead do some act of value to the insured such as replacement of the lose or destroyed object its former position. So the indemnity or compensation is not only provided by payment of money but also with doing something equivalent.*⁸

Moreover, the phrase ‘when a specified risk materials’ in the article seems to restrict its application to some extent in the case of life insurance, specially in endowment life insurance. In such cases, the insure undertakes to pay a some of money not on the happening of a risk but of an event, where the insured is a live on the day fixed in the policy, although life insurance is separately defined in art 691 accommodating this condition.⁹

1.2 Insurance Policy

The contract of insurance is called the policy.¹⁰ Insurance policies are adhesion contracts, that is contracts drawn by one party that must be accepted as is on a take it or leave it basis.¹¹

Insurance policy defined as follows:-

*Insurance policy:- a contract of insurance. 2 A document detailing such a contract:- often shortened to policy. - Also termed policy of insurance contract of insurance.*¹²

Under Ethiopian Commercial Code insurance contract shall be supported by a document called an insurance policy. Under this document the term of the insurance must be written.

From the above definitions we understand that insurance contract must be in writing. And also insurance contract is unilateral contract because only the insurer makes a legal enforceable promise to pay a claim or provide other service to the insured.

1.3 Nature of Insurance Contract

Insurance contract have distinct natures that make them different from other contracts.

These distinct natures are as follows:

- a. Commercial contract
- b. Aleatory contract
- c. Conditional contract

1.3.1 Commercial Contact

The payment of premium is the consideration from the insured the promise to indemnify is the consideration from the insurer. The insurer in its undertaking, however, may not be liable to the risks insured against, as all the risks may not happen. The insurer will pay compensation only to those risks materialized on the bases of the terms and conditions of the contract, the remaining balance in the pool of the fund after the payment of the loss would be the profit of the insurer. The profitability aspect thus makes insurance contract a merchant commercial one by its nature.¹³

1.3.2 Aleatory Contract

An insurance contract is aleatory, for its speculative elements. It depends on an uncertain event or contingency as to both benefit and loss. The insured loses the premium if the event insured against does not occur, and the insurer loses the sum insured if the event does occur. The insured is moved to effect the insurance by risk of loss, which is outside the control of both parties.¹⁴

1.3.3 Conditional Contract

An insurance contract is a conditional contract. That is the insurer's obligation to pay a claim depends on whether the insured or the beneficiary has complied will all policy conditions. Conditions are provisions inserted in the policy the qualify or place limitations on the insurer's promise to perform. The conditions section imposes certain duties on the

insured if he or she wishes to collect for a loss. Although the insured is not compelled to abide by the policy conditions, he or she must do so to collect for an insured loss. The insurer is no obligated to pay a claim if the policy conditions are not.¹⁵

1.4 Types of Insurance

In present time types of insurance are numerous. But Ethiopian Commercial Code has generally classified insurance into two. That are insurance against damage and insurance of person. Insurance against damage also divided into two: insurance against property and insurance against liability.¹⁶ The second one is insurance of persons which is classified into life insurance and insurance against accidents and illness under article.¹⁷

1.4.1 Insurance against damage

Under the 1960 Ethiopian Commercial Code there are special provisions which govern only insurance against damages.¹⁸ The word “damages” expose property or civil liability under the Commercial Code therefore, two types of insurance exist under insurance against damage¹⁹. They are:-

- a. Insurance of objects
- b. Insurance of liability for damages

1.4.1.1 Insurance of Objects

Insurance of objects policies cover risks which affect properties. In Ethiopian law of insurance of object the risks might be of all kind but the subject matter of insurance which is insured must be property (object). Under the Ethiopian Commercial Code there are provisions that govern insurance of objects. The provision which indicates the concept of insurable interest is incorporated under article 675. The other provision that shows the principle of indemnity is incorporated under article 678 and the last basic provision which talks about subrogation under article 683. Each provision discussed as follow.

Insurable Interest

Insurable interest is the legal right to insure arising out from a financial relationship, recognized at law between the insured and the subject matter of insurance.²⁰

From the above definition we can understand two core elements. The first one is that there must be relationship between the pecuniary interest of the insured and the subject matter of insurance. When we come to insurance of object, we understand that the subscriber or the beneficiary must have an insurable interest over the object insured. Secondly we understand that the object insured should be a legally recognized otherwise the contract will be nothing more than a contract to pay a sum of money upon a certain event which amounts to wagering, and contrary to the public policy.

Under the Commercial Code of Ethiopia, insurable interest over insurance of object is nowhere defined. But there is provisions which indicates the concept of insurable under article 675 as follow.

*Any person interested in the preservation of an object may insure it.*²¹

*Any direct or indirect interest in a risk may be insured.*²²

Article 675 is silent as to the nature of the interest required to insure the object i.e. whether such interest should be a legally recognized one or only an economic interest would suffice to in nor does it further state what ‘direct or indirect interest’ mean.²³

The Principle of indemnity

The term “indemnity” defined as in the following manner:-

*1. A duty to make good any loss, damage, or liability incurred by another. 2. The right of an insured party to claim reimbursement for its loss, damage, or liability from a person who has such a duty. 3. Reimbursement or compensation for loss, damage or liability in tort; esp, the right of a party who is secondarily liable to recover from the party who is primarily liable for reimbursement of expenditures paid to a third party for injuries result in from a violation of a common –law duty.*²⁴

The above mentioned definition of principles of indemnity is by no means complete though not wrong. The definition does not state that an insurance policy should not confer a benefit lesser in value than the loss suffered by the insured where there is no under insurance. Besides the definition does not mention that the compensation should be sufficient to place the insured the same financial position after a loss as he enjoyed immediately before it occurred.²⁵

The Ethiopian Commercial Code defines the term “indemnity” of insurance of objects as:-

*The article says that a contract for the insurance of an object is a contract for compensation. The compensation shall not exceed the value of the object insured on the day of the occurrence.*²⁶

This above article concerned about the maximum limit of the compensation the limit being the value of the object insured. This article also takes the value of the object as fully insured and as totally lost or damaged. It should be noted that there may be instances where the damage or the loss which occurred could be lesser than the value of the object insured, in case of partial loss. There may also be instances where the value of the object has not been fully insured owing to under insurance as envisaged under article 679 of the Commercial Code. Thus article 678 could be correct where the value of the property (object) is correctly measured and the said value is totally insured and also the said object which is of said value is totally damaged.²⁷

Object Under Insured

The Ethiopian Commercial Code states that where on the day of the occurrence the object insured is of a value greater than the amount of which it is insured, the insured person shall be deemed to be his own insurer for the difference and shall share proportionately in the damage. From this above article we understand that sometimes the value of the object at the time of the occurrence exceeds the amount for which it was insured in this time the

liability of the insurer is that to the amount which is determined at the time of the insurance contract. It means the insurer is not liable to indemnify the insured object if the value of the object at the time of occurrence greater than the time contract.²⁸

Object Over Insured

As we saw the previous discussion a contract of an object is a contract for compensation or indemnity. That means the insurance benefit to be paid to the insured (the compensation) should not exceed the value of the object insured. Where the compensation exceeds the value of the property, we say that the object is over insured. There are various effect of the over insurance.²⁹

Cumulative Insurance

Under the Ethiopian Commercial Code cumulative insurance means where several insurers insure the same object against the same risk. At this time the principle of indemnity or compensation be violated because the object is over insured (insured by exceed: its value). For this effect there is provision.³⁰

The principle of Subrogation

In the context of insurance of objects under the Commercial Code states that the insurer who has paid the a great insurance benefits to the insured shall substitute himself to the extent of the amount paid by him, for claiming against third party who caused the damage.³¹

From the aforementioned article we understand that as we all know the purpose of insurance contract is to compensate or indemnity the insured to the extent of the loss he suffered, and not to provide him a profit. Therefore, this principle avoid unjust enrichment of the insured by substitute the insurer already indemnity the insured in the place of insured to claim compensation from the third party.

1.4.1.2 Insurance of Liability for Damage

In this type of insurance the subject matter of the insurance policy is that the property, life of person of third parties. In this situation the loss or damage incurred over the property of the third parties or their life or person caused by the act or omission of the insured. In this case the insurer's obligation is paying compensation for the damages the insured may cause to third parties.

Admission of Liability

From the Commercial Code of the Ethiopia we understand that the insurer can make provision in the policy where by prohibiting the insured from making any admission of liability of compromise with its (insurer's) consent otherwise the insurer be liable for the cause damage to third party by the insured when a claim against him made by the insured party and the insured admits that he is liable for the damage or makes any compromise without the consent of the insurer.³²

The Principle of Insurable Interest and Indemnity

Insurable interest regarding insurance of liability for damage under Commercial Code of Ethiopia no where provided in the code, though the code for instance under arts 654 (2) and 685-688 has provisions of liability insurance.³³

In the principle of indemnity under commercial code of Ethiopia article 654 (2) stipulates that "where damages are insured, the insurance policy shall extend to the risks which arising out of the insurance person's civil liability and also art. 685 which do repeatedly mention on compensation reveal liability insurance is indemnity insurances."³⁴

1.4.2 Insurance of Persons

The subject matter of insurance of persons are that life and person. It covers life insurance and insurance against accident and illness. The Ethiopian Commercial Code states that insurance of person is classified into life insurance and insurance against accident and illness.³⁵ These two types of insurance elaborated as follow:

1.4.2.1 Life Insurance

Life insurance is an agreement between an insurance company and the policy holder to pay a specified amount to a design beneficiary on the insured's death.³⁶

Life insurance also defined as:-

*A contract whereby the insurer in consideration of a premium undertakes to pay a certain sum of money, in lump sum or in periodical payments of annuity either the death of the insured or on the expiry of a certain number of years, which ever is earlier.*³⁷

The Commercial Code defines life insurance as follow:-

*A life insurance is a contract whereby the insurer undertakes against the payment of one or more premiums to pay to the subscriber or to the beneficiary a specified sum on certain conditions dependent upon the life or death of the subscriber or third party insured.*³⁸

From the above definitions we understand that what are the obligations of the insurer (insurance company), what is the obligation of the insured or subscribe, whose life is insured and when do the obligations of the insurer mature.

The other element from the two definition except the first one we can see that the insured in life insurance policy is not only death. That means sometimes insurer is liable to insured who survive because of the nature of their contract.

According to the Ethiopian Commercial Code definition life insurance we see another element. That is a person may be the policy to insure other person's life.

Principles of Life Insurance

There are principles which are applicable to all types of insurances like the principle of insurable interest but there are also principles that are not applicable to life insurance by its nature. That are the principle of indemnity and the principle of subrogation. That reads under the Ethiopian Commercial Code.³⁹

Insurable Interest in Life Insurance

In our earlier discussion, we saw the definition of insurable interest. The same principle applies concerning life insurance. The principle exposed as “the beneficiary of life insurance policy should have an insurable interest in the life of the insured. In other words, there should be a reason for the beneficiary of life insurance to anticipate that some economic benefits either will or may result from the continuation of the assured’s life, and that such beneficiary will be lost in the event of the assured’s death.”⁴⁰

The Principle of Indemnity or Compensation

The Principle of indemnity does not apply to life insurance. Life insurance is not a contract for compensation. The amount of insurance benefits the insured and beneficiary may claim from the insurer is incomparable to the loss or damage. The amount to be paid by the insurer can be determined by agreement of the insurer and the insured.⁴¹

The Principle of Subrogation

The Commercial Code of Ethiopia states that substitution of the insurer is not permitted in insurance of persons. From the provision we understand that life contracts are not subject to the doctrine of subrogation. That means the insurer who has paid the agreed amount may not substitute himself for the subscriber or beneficiary for claiming against third parties who caused the damages.⁴²

1.4.2.2 Insurance Against Accidents and Illness

Insurance against accidents and illness will be discussed in the next chapter.

CHAPTER TWO

2. Insurance Against Accidents and Illness

Insurance against accidents and illness is one branch of insurance of persons. It provides coverage for the insured's body integrity and health. Under the Commercial Code there are general provisions which are applicable to all forms of insurance under article 654-674 there by provision accident and illness cases be governed and also there are special provisions governing accidents and illness insurance are provided for in the Commercial Code from article 711-712.

2.1 Definitions of Accident Insurance

Accident insurance can be defined as injury which arises from some unexpected or unintended event which is not natural.¹

Accident insurance:- insurance that indemnifies against bodily injury caused by an accident. Covered losses may include expenses, time, suffering, or death.²

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 an unknown cause, and therefore not expected.³

Accident Insurance policy is a contract whereby specific benefits of insured person suffering injury, resulting in death or disablement arising solely and directly from an accident caused by violent external and visible means.⁴

Personal accident insurance:- A contract of personal accident insurance is a contract whereby a sum of money is payable to the assured or his legal representative in the event of his disablement or death resultant of an accident. It provides coverage against insure resulting from accident.⁵

Commercial Code defines accident insurance as follows:-

*An insurance policy against accidents is a contract whereby the insurer undertakes to pay a specified sum to the insured person where the insured person is the victim of an accident during the period specified in the policy, or to the beneficiary named in the policy, where the insured person dies.*⁶

The same code defines an accident as follow:-

*Any bodily injury arising out of unexpected extraneous occurrences.*⁷

From the above two definitions which indicates number one and three we understand that the accident which has caused bodily injury or death that entitle the insured or the beneficiary to the insurance benefit must be unexpected.

In the first aforementioned definition of accident one can note that insurance of accident is not natural. From this definition point of view, accident insurance does not provide coverage to the events which caused by natural events like sunstroke and etc.

The third definition stated in the above has another core explanation about accident insurance. We can see that as follow:-

The event which is caused by an accident could be without one's foresight not only expectation. It means accidents insurance provide coverage to events that caused by unknown not only causes which are known.

From the four type of definition of accident insurance also we can note that the event which caused by an accident insurance must be external. From this point of view, an event shall be taken place in the outside.

When we come to five and six type of definition, we observe that the Ethiopian Commercial Code definition about accidents insurance. From this definition we note the following points.

*Like any other types of insurance, the insurer's obligation is to pay a specified amount of money where the insured suffered damage to this body due to the occurrence of an accident indicated in the policy.*⁸

In the Ethiopian Commercial Code article 711 sub-article 3 which states in the six type of definition to elucidate accidents insurance further than the definition which stated in the article 711 sub-article 1 in that accidents is unexpected extraneous occurrences.

2.2 Definitions of Illness Insurance

Health (Illness) insurance may be defined broadly as the type of insurance that provides indemnification for expenditures and loss of income resulting from loss of health (illness). Health (illness) insurance is insurance against loss by sickness or bodily injury.⁹

Health (Illness) Insurance:- Insurance covering medical expenses resulting from sickness or injury!- Also termed accident and health insurance, sickness and accident insurance.¹⁰

Health insurance contracts defined as:-

*Rising costs of hospitalization, medical, treatment and medication have directed widespread attention to the need for insurance protection against financially crippling costs illness or injury.*¹¹

Under the Ethiopian Commercial Code, no where provides the definition of health insurance, although a person may buy insurance policy against illness due to article 711 sub-article 4.

From the above definitions we understand that health insurance contracts provide coverage for medical expenses or loss of income a wide range of illness and injuries.

2.3 The Main Types of Insurance Against Accidents and Illness

Accidents and health (illness) insurers sell a wide variety of individual or illness insurance coverages. The most important individual coverages include the following:-

- a. Medical expense insurance
 - Hospital insurance
 - Surgical insurance
 - Physician's expense insurance
 - major medical insurance
- b. Disability income insurance

2.3.1 Medical Expense Insurance

Medical expense insurance provides for the payment of the costs of medical care that result from bodily injury. Its benefits help to meet the expenses of physicians, hospital, nursing and related services, as well as medications and supplies. Benefits may be in the form of reimbursement of actual expenses may be paid directly to the provider of the services or to the insured.¹² This insurance provides payments in relation to services rendered by a doctor and for many types of expenses associated with hospitalization. This protects the insured from financial loss due to medical care costs.¹³ Health insurance pays all or part of hospitalization, surgery, laboratory tests, medical and other medical care.¹⁴

2.3.1.1 Hospital Insurance

A hospital insurance contract is one of the basic accident and health (illness) insurance policies. A hospital insurance policy provides indemnification for necessary hospitalization expenses, such as room and board while hospitalized, laboratory fees, nursing care, use of the operations room, and certain medicines and supplies. Hospital contracts limit coverage by stating a flat daily amount for a specified number of days such as, 30, 70, 120 or 365. Expenses in excess of the amount provided in the policy must be paid by the insured.¹⁵

2.3.1.2 Surgical Insurance

Another type of basic accident insurance is the surgical, insurance contract, which covers physicians' fees associated with covered surgeries. The surgical contract provides set allowances for different surgical procedures performed by duly licensed physicians. In general, a schedule of operations is set forth together with the maximum allowance for each operation.¹⁶

2.3.1.3 Physicians Expense Insurance

The third type of basic accidental and health (illness) coverage is physician's expense insurance (formerly called "regular medical insurance") which usually is written in conjunction with other basic coverages rather than as a stand – alone contract. Physician's expense insurance provides benefits to cover a physician's fees for non surgical care in a hospital, home or doctor's office. The coverage is seldom written alone, but must be included with one of the other medical expense insurance (hospital or surgical insurance). Physician's expense insurance pays for visits to a doctor's office or for a doctor's house calls or hospital visits. Usually with a limit per visit (e.g. Birr 25 to Birr 50) and a maximum number of calls per injury.¹⁷

3.3.1.4 Major Medical Insurance

Major medical insurance, Insureds often desire broader coverage than that provided by the basic coverages just discussed. The major medical policy is contract that is most appropriate for the large medical expenses that would be financially disasters for the individual.¹⁸

2.3.2 Disability Income Insurance

Disability income insurance provides periodic income payment to the insured while he or she is unable to work as a result of injury. Coverage may be provided for disabilities results from accidents and sickness.

Disability income insurance policies are designated as either short or long term, depending on the period coverage is provided short-term policies provide a specific number of weeks of coverage, perhaps 30 weeks, after a brief (for example, one-week) elimination period. An elimination period is a period that must elapse before an insured is eligible to receive insurance payments. The purpose of the elimination period is to exclude payments for minor accidents. This provision helps keep premiums affordable long-time disability income insurance policies provide a number of years of protection such as five or ten years. Some long-term disability policies pay until age 60 or 65, and still others pay life time benefits.¹⁹ This provides payments to compensate for lost wages during a period of disability. It replaces income that can not be earned while a person is sick. It is an example of protection against an indirect loss.²⁰

2.4 Features of Accidents and Illness Insurance

As with the previously discussed accidents and illness insurance is one branch of insurance of persons. Therefore, by its nature insurance against accidents and illness is not subject to some of the fundamental principles of subrogation. There are also principles that commonly apply to all types of insurance includes insurance against accident and illness like the principle of insurable interest.

2.4.1 The principle of indemnity

In chapter one we stated that the principle of indemnity has two fundamental purposes. The first purpose is that to prevent the insured from profiting from insurance by restoring the insured to the same financial position which existed before the loss. The second purpose is also that to reduce moral hazard. It means to prevent the insured who cause a loss internationally to collect insurance benefit. But when we come to accidents and illness insurance contract indemnity is not applicable because the human person can not be assessed or valued like other objects.

Under the Ethiopian Commercial Code insurance of persons shall not be deemed a contract for compensation. Insurance against accidents and illness is also one branch of insurance of persons therefore it governed by this article.²¹

2.4.2. The Principle of Subrogation

The principle of subrogation grows out of the principle of indemnity. Subrogation has three basic purposes.²² But we see only one purpose that helps our topic that is “subrogation prevents the insured from collecting twice for the same loss. Subrogation reinforces the principle of indemnity by preventing the insured from collecting more than the actual amount of the loss. In the absence of the subrogation, the insured could collect from the insurer and from the person who caused the loss. The principle of indemnity would be violated because the insured would be profiting from a loss.”²²

When we come to our topic, we note that subrogation does not apply to insurance against accidents and illness. Accidents and illness insurance is not a contract of indemnity, and subrogation has relevance only for contracts of indemnity. Therefore, the insurance company has no right to reimbursements from the negligent party. The inapplicability of the principle of subrogation is based on the principle that in insurance against accidents and illness the policy is not a contract of indemnity.

The principle of subrogation is not, however, applicable to insurance of persons. Subrogation is clearly prohibited in article 690, which says that notwithstanding any provision to the contrary, the insurer who has paid the agreed amount may not substitute himself for the subscriber or beneficiary for claiming against third parties who caused the damage.

In accident policies, the insurance company can not either be subrogated, on the payment of an accident policy, to the rights of the insured against the one who caused the injury, since accident insurance is not an indemnity contract.²⁴

The other reason which makes subrogation impossible in insurance against accidents and illness is that the amount of economic damage is not readily evaluated in regard to an accidental injury or sickness to a person that the insured or beneficiary can not be said to be over compensated if he claims compensation from both the insurer and the third party who caused the risk to materialize. Hence, in insurance against accidents and illness, the insured or the beneficiary (in accidents insurance) may claim compensation for the damage from both the insurer and the third party who causes the damage.²⁵

2.4.3 Insurable Interest in Insurance Against Accidents and Illness

A fundamental legal principle that strongly supports the principle of indemnity is that of insurable interest, which holds that an insured must demonstrate a personal loss or else be unable to collect amounts due when a loss caused by insured peril occurs. Insurable interest is always a legal requirement because to hold otherwise would mean that an insured could collect without personal loss. An insurable interest involves a relationship between the person applying for the insurance and the subject matter, or an expectation of loss or determinate for its cession.²⁶

The same principle applies insurance of persons. In insurance against accidents and illness, the insured or the policy owner must show a recognized right in having body integrity, health or the insured's life continue. "This interest must be shown when the policy is purchased. People are presumed to have an unlimited insurable interest in their own lives."²⁷ And also people have insurable interest over their bodily integrity and health.

2.4.4 The Principle of Proximate Cause

Proximate cause defined as:-

Proximate cause that is legally sufficient to result in liability, that which, in natural and continuous sequence, unbroken by any efficient intervening cause, producing injury, and without which the result would not have occurred, that which is nearest in the order of responsible causation, that which stands next in causation to the effect, not necessary in time or space but in causal relation. Proximate cause of an injury in the primary or moving cause or that, which in natural or continuous sequence, unbroken by any efficient intervening cause, produces the injury and without which the accident could not have happened.²⁸

Proximate cause is the active, efficient cause that sets in motion a train of events which brings about a result, without the intervention of any force stated and working activity from a new independent sources.²⁹

It has also been said that the proximate cause is neither the first nor the last cause: it is the dominant cause or the efficient or operative cause.³⁰

To treat proximate cause as if it was the cause which is proximate in time is out of the question. The cause which is truly proximate is that which is proximate in efficiency. That efficiency may have been preserved although other causes may mean time have sprung up which have yet not destroyed it, or truly impaired it, and it may culminate in a result of which it still renames the real efficient cause to which the event can be decribed.³¹

The law of insurance included in the Commercial Code of Ethiopia does not provide definition and rules of proximate causation. The civil code of Ethiopia that supplements the Commercial Code is also silent with regard to the definition and rules of proximate causation.³²

Penal Code of Ethiopia provides definition of causations and rule that enables us to determine a proximate cause in the manner suitable for criminal law.³³

First we see the provision of article 24 sub-article 1 which states the definition of causations as follows:-

*In cases where the commission of an offence requires the achievement of a given result the offence shall be deemed to have been committed only if result achieved is the consequence of the act or omission with which the accused person is charged. This relationship of cause and effect shall be presumed to exist when the act or omission with in the provision of law would, in the normal course of things, produce the result charged.*³⁴

The Penal Code of Ethiopia also indicates the rule of proximate causation as follow:-

Where there are concurrent causes or in the case of an intervening cause whether due to the act of a third party or to a natural or fortuitous event, the relationship of cause and effect shall not apply when the extraneous cause was in itself sufficient to produce the result.

*If, in such case, the act or omission with which the accused person is charged in itself constitutes an offence he shall be liable to the punishment specified for such on offence.*³⁵

The provision of sub-art (1) of art 24 of the penal code which reads “this relationship is cause and effect shall be presumed to exist when the act or omission with in the provision of the law would, in the normal course of things, produce the result charged” Clearly shows that the code establishes the principle of proximate cause.³⁶

It is submitted that the extension of this universally accepted principle (definition) found in the penal law to Ethiopian insurance law would not harm both the insurers and insureds in Ethiopia. It is this same principle stipulated in the policies of insurers in Ethiopia, Whether borrowed from their foreign counter parts or taken from the penal code itself.³⁷

Where concurrent causes exist despite the application of the relevancy test under article 24 sub-article 1 one may note the following points.

*Where an intervening cause interferes, the chain of causation of the original cause shall be disregarded provided the superseding cause alone is sufficient to produce the result. It goes without saying that if the original cause is not sufficient to produce the result. Owing to its inefficiency, the original cause shall be disregarded and the subsequent cause, which is independent of the original cause, shall be regarded as the cause of the result, even though the subsequent act (cause) would not alone have brought about the harm (the result) but for the original act.*³⁸

It follows also that if the subsequent cause is not capable to produce the ultimate result, it may not be regarded as a cause of the result even though it may have contributed to the happening of the result (the harm).³⁹

Under article 24 sub-article 2 of the penal code could be utilized carefully for the purpose of insurance law. That is to say, if the original (first) act is capable to produce the result intended, it shall be taken as the cause of the result even where the subsequent act has contributed to the injury. This is acceptable, because if the original cause is a peril and the subsequent cause is an exception the insured will recover. But if the original cause is an exception and the subsequent cause a peril, the insured will not benefit from the policy. If, however, a subsequent act alone, capable to produce the result, the original act, shall be disagreed even if the original act has also contributed to the result achieved, this is also acceptable, however, if two causes are equally sufficient to produce the result but cumulatively capable to do so, both causes shall be deemed to be the real causes of the

harm and both offenders shall be liable to the same punishment unless the court considers some other aggravating extenuating circumstances. At this point, the principles of causation in the penal code deviates from the rules of insurance law, which we discussed earlier.⁴⁰

When we come to insurance against accidents and illness, the principle of proximate causes applicable to it just like others insurance. This also governed by the rules which mentioned above.

CHAPTER THREE

3. Specific Problems Surrounding the Law of Insurance Against Accidents In Ethiopia

A number of problematic areas can be identified with the law of insurance in Ethiopia that is related to accidents. One of the problems which surrounds accidents insurance law in Ethiopia starts from the definitional part of the law. The other problem relates to the absence of special provisions in respect of accidents cases in the Commercial Code. Further more, we will see the defect of article 712 of the Ethiopian Commercial Code.

3.1 Problem Related to Definition

The Commercial Code defines insurance policy against accidents as:-

A contract where by the insurer undertakes to pay a specified sum to the insured person where he is the victim of an accident during the period specified in the policy, or to the beneficiary named in the policy, where the insured person dies.¹

The same code further defines an accident as follows:-

Any bodily injury arising out of unexpected extraneous occurrence.²

As to the above mentioned definition of insurance against accidents, it should be noted that accident policy provides for specific benefits of insured person suffering injury, resulting in death or disablement arising solely and directly from an accident caused by unexpected and extraneous means.

The writer of this paper believes that the aforementioned definition of accident is by no means complete though not wrong because the definition does not include some core elements. These elements are also vital to qualify the word accident.

The definition of accident in the Ethiopian Commercial Code stipulates that death or disability covered by the policy must be accidental which is caused by unexpected and extraneous occurrences. The word “unexpected” exposes an event that takes place without one’s foresight or expectation. The word “external” also exposes an event which takes place outside. Hence, although these two elements are essential to qualify the word accidental, they do not give an accidental component.

In the Ethiopian Commercial Code insurance against accidents policy may simply cover death or injury caused by accident that is unexpected and extraneous by setting aside other elements that are violent (force ability), visibility, independently of any other cause be the direct and immediate cause of bodily injury or death. Here it could be noted that these elements must be completed to prevent the deliberate act and enable us to determine whether an act is accidental or not. In other word, the result of any bodily injury or death must be caused by an accident which is independent from other causes.³

3.2 Problems with Regard to The Absence of Different Provisions Relating to the Beneficiary

Before delving into discussing the major problems relating to the absence of provision to the beneficiary, It is believed that it would be proper to look at the definition of beneficiary here below.

Beneficiary defined as:-

*The person who will receive the proceeds when the insured dies. A person, a trust, an estate, or a business may be a beneficiary.*⁴

Moreover, the beneficiary defined as follows:-

*1. A person for whose benefits property is held in trust; esp. one designated to benefit from an appointment, disposition, or assignment (as in a will insurance policy, etc.) or to receive something or instrument. 2. A person to whom another is in a fiduciary relation, whether the relation is one of agency, guardianship, or trust. 3. A person who is initially entitled to enforce a promisee, whether that person is the promisee or a third party.*⁵

According to the above definitions, we understand that a person who is called beneficiary is entitled to receive a benefit. And also we observe from the first definition that from the insurance point of view, a beneficiary is a person who is entitled to the insurance benefits, upon the death of the insured.

If we analyze from the above definition that a person who is designated as a beneficiary is entitled to receive the benefits, we would have needed special provisions which implement particular cases that are related with such beneficiary. For example, a person who is designated in an insurance policy must visit any provisions which entitle him to enforce a promise.

Although under the Ethiopian Commercial Code in insurance against accidents the named beneficiary is entitled to receive insurance benefits upon the event of death, the Code does not provide provisions which govern the beneficiary to enforce his/her rights. And also there is no any provision that prohibit the beneficiary from claiming the insurance payment.⁶

As mentioned earlier, the Ethiopian Commercial Code has no any provision that enables us to determine the enforcement of a promise which is made to the beneficiary. The same Code states that the life insurance provisions shall not apply to insurance against accidents and this also aggravates the problem. Thus, we will see such problems in detail.⁷

3.2.1 Problems with regard to the Absence of a provision relating to the rights of beneficiary

In an insurance against accidents policy for the event of death, the insured may name the beneficiary to whom the insurance benefits will ultimately be paid when he dies. Confirming sub-article 1 of 711 the Commercial Code indicates that the beneficiary named in the policy is the person who will receive the benefits when the insured dies.

If we analyze the existence of beneficiary in the above article, now we would have considered the problem which is created because of the absence of a provision which enables the named beneficiaries to claim their rights.

The beneficiary named in life insurance policy may, upon the death of the insured, claim the insurance benefits directly from the insurer. The sums to be paid to this beneficiary shall not form part of the insured person's estate.⁸

Again, where the spouse of the deceased insured is specified as a beneficiary, the sums to be paid to her/him shall be regarded as her/his personal property. The sum he or she received shall not form part of the common property of the deceased insured and the spouse who is now a beneficiary.⁹

When we come to insurance against accidents though under article 711 sub-article 1 of the Ethiopian Commercial Code an accident policy for the event of death may be made to the benefit of the named beneficiary. But there is no provision in Code which guides the beneficiaries to enforce their rights. At the same time, the Code does not tell us whether or not the sums to be paid to a named beneficiary are form part of the deceased's estate. Again it is silent about whether a beneficiary named in insurance against accidents policy can claim the insurance benefits directly from the insurer or not. What about if the beneficiary had been named to be the insured's spouse? It means where the spouse of the deceased is specified as a named beneficiary, are the sums to be paid to her/him to be regarded as her/his personal property or to be regarded as forming part of the common property of the deceased insured. What about the insurance payment made to a named beneficiary? Will the payment be collated to the estate of the insured later or not? In other words can we say that an heir at law who had been paid as a beneficiary of an accident policy would still be have equal share with other same status heirs at law without taking into consideration what he had taken as a beneficiary or not? Generally, how can we determine the rights of beneficiary? The above mentioned problems which are related

with the rights of beneficiary created not only by the failure of provisions in the Ethiopian Commercial Code but at the same time the Code clearly restricts us from using any analogy by the stating that the life insurance provisions shall not be applicable to insurance against accidents. Therefore, this article aggravates the problem.

3.2.2 Problems with Regard to the Absence of Provisions Relating to a Beneficiary who Predeceased the Insured

The purpose of designating or specifying a beneficiary in life insurance policy is to benefit the beneficiary while he/she is alive. It follows, then, that where the beneficiary dies at the time when the insurer's liability is matured, his heirs creditors can not claim the insurance benefits.¹⁰ The Commercial Code stipulates that unless otherwise agreed, the benefit shall be deemed to be payable only on condition that the beneficiary be alive on the day when the capital or life interest is to be paid.¹¹

When there is no agreement otherwise in the policy and where the beneficiary is not alive on the day when the capital or life interest is to be paid, the capital to be paid by the insurer shall be paid into the subscriber's (the insured's) estate.¹²

We can observe from the above discussion that the result of life insurance provision which is applicable to the beneficiary who does not survive the insured. Now we will consider the problem relating to the beneficiary who predeceases the insured in insurance against accidents here under.

The Ethiopian Commercial Code fails to state what the consequence is, the beneficiary is not alive when the payment matures. That is when the insured dies in insurance against accidents pursuant to article 712 of the Ethiopian Commercial Code the provisions of life insurance shall not apply to insurance against accidents. Thus, the life insurance provision which is mentioned above as to a beneficiary who predeceased the insured of life insurance is not applicable to accident insurance.

As a result, problems may arise regarding the beneficiary who does not survive the insured. Let us say, there is a named beneficiary (who does not survive the insured) who designated in insurance against accident policy, upon the event of death. This time we may raise a question: does the insurance money constitute such beneficiary's estate or not? at the same time, would not his/her heirs continue to be beneficiaries or would they?. To answer the questions we do need provisions which govern it.

3.3 Problem with Regard to the Absence of Provisions as to the right of the Policy Owner to change the Beneficiary

Before we go to the major problem relating to the absence of provisions as to the right of the policy owner to change the beneficiary, it is wise to see the group of beneficiaries here below.

In the insurance practice beneficiaries grouped as revocable and non-revocable. If the owner has the right to change beneficiaries after the initial choice, the beneficiary is called revocable beneficiary. If a beneficiary once named can not be changed by the owner, the beneficiary is called an irrevocable beneficiary. Generally, the revocable beneficiary has no rights in the policy while the insured is alive. The irrevocable beneficiary has a vested interest in the death benefit, and can prevent the owner from taking any action, such as assigning the policy or borrowing from it, that reduces the beneficiary's interest.¹³

A nomination is usually cancelled or changed before the policy matures for payment, by notice in writing to the insurer. However, the Ethiopian law says the beneficiary who has agreed to the nomination can not be revoked.¹⁴

A person whose name is specified as a beneficiary shall be a full fledged beneficiary having the right to claim the payment when only he has accepted the nomination. The law is silent about the form of the acceptance that any manner which unequivocally indicate the agreement of the nominee may be taken as an acceptance. A nominated beneficiary

may not accept the nomination for reasons that he may not have the information that he is nominated or that he does not want to be the beneficiary. In what ever case, until such time that the specified beneficiary agrees to his nomination, all the right over the policy belongs to the subscriber that he may revoke the nomination and make another nominee or leave the policy blank. However, once the beneficiary has agreed to the nomination he is the person having the right over the policy that even the insured can not take away his benefit.¹⁵

The above requirement as provided under the Ethiopian Commercial Code is applicable to the life insurance. But when we come to our case, we will observe that the code says nothing as to whether the beneficiary who has agreed to the nomination can be revoked or not. In addition, the Code does not tell us what if a person whose name is specified as a beneficiary does not agree to take the insurance payment. In this situation can the insured nominate a substitute beneficiary or not? Again these questions stood without any answer as a result of the absence of provision with applicable to it.

3.4 The Right of Insured to designate a Beneficiary in case of Accidents Insurance in the Event of Death

In insurance against accidents policy for the event of death, the insured may specify a beneficiary to whom the insurance benefits will ultimately be paid when he dies. Confirming the insured's right of designations a beneficiary, sub-article 1 of article 711 of the Commercial Code says that an insurance policy for the event of death may be made to the benefit of named beneficiary meaning that he may not simply write generic terms such as my "spouse" and my "children" and it is to be noted that article 712 of the Commercial Code provides that the life insurance provisions shall not be applicable to insurance against accidents. Therefore, life insurance provision which enables the insured to write simply by using generic terms under article 701 sub-article to shall not apply to insurance against accidents.

It is believed that the purpose of sub-article 2 of article 701 of the commercial code is to protect the intent of the subscriber. The insured made the spouse and children beneficiaries of life insurance in order to protect his immediate family from injury at the time of his death. But since they are not sure about the future many subscribers refuse to commit themselves irrevocably. Compelling a subscriber to mention a beneficiary by name all the time may defeat this intent for which he purchases the life insurance policy. For instance, a person who wants to protect his family from injury at the time of his death purchased a life insurance and made his wife specified beneficiary by naming her in the policy. After sometimes the two are divorced and the insured gets married to another person. When the insured dies the proceeds would go to the former wife whose name is mentioned in the policy, there by defeating the whole purpose behind the policy.

In the same manner compelling a subscriber who wants all his children including those born after he took out the policy, to benefit from the policy, to mention them by name would be contrary to the intention of the subscriber. This is because if mentioned by name, those that were born at time of subscription, those might be the only beneficiaries. It is because of such uncertain about the future that subscribers prefer to use generic terms such as my “spouse,” my “wife” or my “children” in designating a beneficiary.

In insurance against accidents, upon the event of death, the insured seems not to be given the right to use generic terms. Under Ethiopian Commercial Code article 711 sub-article 1, the insured may clearly indicate the name of the beneficiary, but he may not simply write generic terms such as my “spouse” and my “children.” To see this discussion specifically we can observe the provision of article 711 sub-article 1 cumulatively with article 712. Article 711 sub-article 1 of the Commercial Code displace that the insured right is to specify his/her beneficiary in name. Article 712 of the code also states that the provisions of section 2 of this chapter relating to life insurance shall not apply to insurance against accidents. Article 701 sub-article 2 which deals with the insured’s right to specify his/her beneficiary in generic terms is also restricted to the life insurance provisions.

Thus, we can understand from the above articles that the insured's right is only to specify his/her beneficiary in name under insurance against accidents policy.

Finally, we conclude that from the observation above mentioned, the purpose of the generic terms, it would have created question in the virtue of article 712 of the commercial code.

3.5 Problems with Regard to the Absence of Provisions Relating to Beneficiary not Specified

In a life insurance policy, if no beneficiary is determined, being specified by name or by other indication, the insurance money is to be paid into the insured's estate.

Although under the Ethiopian commercial code, in accidents insurance cases, the policy holder of such insurance on his own life may nominate the person to whom the money secured by the policy is to be paid in the event of his death, the code is silent whether or not such money is form part of the estate of the deceased if the insured does not determine any named beneficiary.

Because of article 712 of the commercial code the life insurance provision which states that where there is no beneficiary or where he does not agree to the insurance benefit is to be paid the sums (the benefits) shall form part of the inheritance is not applicable to insurance against accidents.

The writer of this paper believes that article 712 of the commercial code has a big problem because if the policy holder specifies no body as a beneficiary in the policy, where would the insurance benefit go.

3.6 Problems with Regard to the Absence of Provisions Relating to the Rights of Creditors

Creditor defined as:-

1. one to whom a debt is owed: one who gives credit for money or goods. - Also termed debtee. 2 A person or entity with a definite claim against another, esp, a claim that is capable of adjustment and liquidation.¹⁶

If we analyzed the definition of creditor to understand the meaning of it, we would have considered problems as to the absence of provision to the rights of it in insurance against accidents in detail.

It may happen that the insured who is dead now might have left some of his debts unpaid. As to whether the creditors of the deceased insured can claim the sums to be paid to the beneficiary or not is nowhere dealt with in the commercial code.

As I believe, it is proper to see the life provision which relates with the rights of creditor. According to article 708 the creditors of the insured person have no the sums to be paid to the beneficiary. From this article it should be noted that the beneficiary has exclusive right over the insurance benefits.

I would like to close this topic leaving the following two remarks regarding the above mentioned problems. The first remark regards the absence of provision which give us knowledge as to what the rights of creditor are. The second remark regards the provision of article 712 that reads the provisions of section 2 of this chapter relating to life insurance shall not apply to insurance against accidents.

3.7 Problems Related with Assignment

There is a problem that is related with the assignments of accidents policy in the Ethiopian law. Before we go into the discussion of this problem, it would be proper to look at the definition of assignment and the principle (doctrine) of assignment.

Keith Abbott, Norman Pendlebury and Kevin Ward Man define the term “assignment” as:-

*Assignment means that the right to receive the policy money is transferred from the person originally entitled to the assignee.*¹⁷

B.S. Bodla, M.C. Gakc, K.P. Sinah state about assignment with a similar essence with the above definition as follows:-

*Insured's occasionally assign either some portion of the rights created by an insurance contract or entire insurance contract.*¹⁸

The right to receive the payment of the insurance proceeds as the result of an assignment, whether created before or after the occurrence of an insured event, is derivative. It is the assignor's rights to payment that is transferred, and therefore, the assignee's right to payment that is transferred, and therefore the assignee's right to receive insurance benefits usually is subject to any defense that could have been asserted against the assignor.¹⁹

The assignee must protect his interest in the policy by notifying the insurers.²⁰

The Assignee has a right to sue the insurers, if necessary for the policy money.²¹

In the assignments of insurance policies the right to assign an insurance policy depends both on the type of insurance involved and all whether the insurance policy includes terms which restrict the right to transfer ownership of the insurance contract.²²

In the principle of assignment accident policies are not valid without the prior consent of the insurers except changes of interest by will or operation of law. Moreover, assignment under accident policies must be made before the insured parts with his interest. Once he has lost the interest the policy is void and can not be assigned.²³

The Ethiopian commercial code, as such, have a serious problem of identifying conditions which must be satisfied before an assignment of accident policies will be concluded. according to interpretation the code permits the policy holder to assign any insurance policy, in the chapter dealing with provision applicable to all forms of insurance. Therefore, the holder of an accident insurance policy may assign his rights in the policy to another person.

The problem one may at this juncture is raised that what are the conditions which make valid the accidental insurance policy assignment. The code not only fails to state the conditions that give rights to the assignor to transfer the rights which is incorporated in an accident insurance policy to another person (assignee) but it does not state about the conditions which restrict the right to transferor ownership of the accidental insurance contract. Generally speaking, the absence of special provision which guide the policy holder from transferring the accidental insurance policy is the basis to the creation of the problem.

Conclusion and Recommendation

We have traced the historical development of insurance transaction starting from ancient time the so called bottomry contracts upto modern insurance system. Under bottomry contracts, loan were granted to the merchants, if they lost their ship on the sea, and the loan did not have to be repaid and the interest on the lone covered the insurance risk.

Modern and advanced insurance business commenced after the passage of several centuries. Many contemporary insurance practice and derived from customs that developed in the later part of the century among individuals who granted at Lloyds to buy and sell insurance for ships and cargos at the very inception Lloyds became the dominant insurer of Marine risks to which later added fire and other property.

Although insurance emerged in Ethiopia in 1950s, the modern and a well established insurance system were not introduced upto the emergency of legislation such as the commercial code, insurance proclamation, insurance regulation and the maritime code.

Insurance contract defined as a “contract where by the insurer, the return for a sum of money called the premium, contracts with the insured to pay specified sum of the happening of specific event.”

For Ethiopian law insurance has similar definition from the above definition. Therefore, it could be said that the Ethiopian insurance law is one of the upto date insurance laws which are being on use. Nevertheless our insurance law is with defect in addressing some basic term of insurance definition in an explicitly manner.

The 1960 commercial code of Ethiopia article 654 defines the contract of insurance but it does not plainly show whether the insurer has the option to undertake his obligation in cash, in service or in kind. As a result, this may be a focal point of dispute among people. Therefore, the definition needs to be amended so that it embodies the options that the insurance has where the contacting parties failed to set a provision that resolves disputes on the manner of undertaking the obligations.

There are many types of insurance. But in Ethiopian commercial code insurance types are classified into four. As we discussed in the previous chapters insurance against accidents is one of it. The 1960 of the Ethiopian commercial code defines accidents as any bodily injury arising out of unexpected extraneous occurrence but the definition of accident is not sufficiently stated and this causes different understanding about accidents insurance with in the people. In order to solve this problem the law makers must revise the definitional article by fulfilling the accidental components which are stated in chapter three.

The second problem of accident insurance is the absence of special provisions which guide the insurer (the insurance company) to prepare their insurance policy.

The third problem is under article 711 sub-article 1 of the commercial code states that if death is caused by insurable accidents the article gives right to the insured to designate his/her beneficiaries. However, the commercial code of Ethiopia does not state about the rights and duties of beneficiaries in order to get insurable benefit that is given by the insured. The same code has no provision that states about the policy holder in what way, to change the beneficiary. Again the code does not have provision which states about what right have the creditor over the insurable benefits that is the sums to be paid to the beneficiary.

Fourthly, the problems of the Ethiopian commercial code regarding to insurance against accidents is not only such aforementioned problems but also there is no provisions stated under the code at the time when there is no beneficiary or the insured does not designate any beneficiary who benefit from the insurance policy.

Fifthly, the Ethiopian commercial code, under insurance against accidents prohibits the insured from using generic terms at the time of designating his/her beneficiary.

The above problems caused by not only the absence of provisions of the law, but also the defect of article 712 of the commercial code of Ethiopia.

In order to solve the above problems the law makers must enact special provisions which govern such problems or the law makers' will revise article 712 in a way that the life insurance provisions applicable to the accidents insurance.

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