

Contents

CONTENTS	5
PRÉFACE.....	7
PRÉFACE.....	9
SECTION 1 GENERALITIES ON INSURANCE	11
Subsection 1. Notion of Insurance Contract	11
A. Definition of an Insurance Contract.....	11
B. Insurance Operation	11
1. Statistical Imperatives.....	12
2. Selection of the Risks.....	12
3. Division of the Risks	12
a) <i>Co-insurance</i>	12
b) <i>Reinsurance</i>	13
Subsection 2. Classification of Insurance	13
A. Legal Classification: General Insurance (Damage Insurance) and Personal Insurance	13
1. General (Damage) Insurance Is Based on the Indemnity Principle	13
2. Personal Insurance Based on Lump Sum Principle	14
B. Technical Classification: Distribution and Capitalisation Systems	15
1. Distribution Insurance	15
2. Capitalisation Insurance	15
Subsection 3. Partners in the Insurance.....	16
A. Insurance Professionals	16
1. Insurance Company	16
a) <i>Definition</i>	16
b) <i>Control on Insurance Companies</i>	16
2. Insurance Intermediaries (or Distributors).....	16

B. Person Interested by Insurance Contact	17
1. Policyholder.....	17
2. Insured	17
3. Beneficiary	17
4. Victim	18
C. Variety of Insurance Contract.....	18
1. Classic Insurance Contracts.....	18
2. Insurance Contract Subscribed for the Benefit of Others.....	18
a) <i>Death Insurance</i>	18
b) <i>The insurance 'in favour of a third party'</i>	19
Subsection 4. Characteristics of an Insurance Contract.....	19
A. Named Contract.....	19
B. Consensual Contract.....	19
C. Bilateral Contract.....	19
D. Aleatory Contract	20
E. Contract for a Fee	20
F. A Continuous Contract.....	20
G. Standard Contract (Membership Agreement).....	20
H. Good Faith Contract.....	20
SECTION 2 THE LIFE OF AN INSURANCE CONTRACT	23
Subsection 1. The Progressive Conclusion of the Insurance Contract ..	23
A. Precontractual Obligation of Information.....	23
1. Precontractual Information of the Insured	23
2. Precontractual information of the insurer: the insurance proposal	24
B. Conclusion of the Contract	24
1. The Principle of Mutual Consent	24
2. No formalities.....	25
3. The Effective Date of the Contract	25
a) <i>Principle</i>	25
b) <i>Conventional Derogations</i>	25
C. Contractual Documents.....	26
1. The Insurance Policy.....	26
2. The Cover Note.....	26

Subsection 2. The Execution of the Insurance Contract.....	27
A. The Modification of an Insurance Contract	27
1. Modification from the Insured	27
a) <i>Conditions</i>	27
b) <i>Content of the Modification</i>	28
c) <i>Proof of the Modification</i>	28
2. Modification from the insurer	28
B. Duration of the Insurance Contract.....	28
1. Principle: End of the Contract at the Agreed Term.....	28
a) <i>Duration Stipulated in the Policy</i>	28
b) <i>The Duration of the Contract Mentioned in Very Visible Characters</i>	28
2. Exception: Renewal of the Contract.....	29
a) <i>Conditions of Tacit Renewal</i>	29
b) <i>Effects of the Clause of Tacit Renewal</i>	29
3. Termination of the Insurance Contract	29
SECTION 3 RIGHTS AND OBLIGATIONS OF BOTH PARTIES.....	31
Subsection 1. Rights and Obligations of Both Parties within the Risk..	31
A. Introduction to the Risk:.....	31
1. Notion of the Risk	31
2. Characteristics of the risk	31
B. The Obligation of the Policyholder to Declare the Risks.....	32
1. Notion of false declaration.....	32
2. Penalties in Case of False Declaration	33
a) <i>The Intentional False Declaration</i>	33
b) <i>The non-intentional false declaration</i>	33
C. Rights and Obligations of Both Parties within the Risk Exclusions.....	34
1. The Absolute Legal Exclusions of Risk in Damage Insurance.....	34
a) <i>Intentional Fault or Willful Misconduct ("Fraudulent Misconduct") in General Insurance</i>	34
b) <i>The Intentional Fault in Personal Insurance</i>	35
2. The Relative Legal Exclusions of Risk	35
a) <i>The Relative Legal Exclusion of War Risk</i>	35
b) <i>The Inherent Defect of the Insured Property</i>	36
3. The Conventional Exclusions of Guarantee.....	36
a) <i>Notion</i>	36

b) <i>Conditions of Validity</i>	36
c) <i>Effects</i>	37
Subsection 2. Rights and Obligations of Both Parties within The Premium	38
A. Calculation of the Premium.....	38
1. Pure Premium.....	38
a) <i>The Premium Rate</i>	38
b) <i>The Premium Base</i>	38
2. The Net Premium.....	39
B. Payment of the Premium.....	39
1. Payment Terms	40
2. Penalties in Case of Non-Payment.....	40
a) <i>Formal Notice</i>	40
b) <i>Coverage Suspension</i>	40
c) <i>Termination of the Insurance Contract</i>	41
Subsection 3. Rights and Obligations of Both Parties within the Loss..	41
A. Obligations of the Insured.....	41
1. The Loss Declaration	41
a) <i>Recipient</i>	42
b) <i>Form Conditions and Content of the Declaration</i>	42
c) <i>Deadline</i>	42
2. Penalty: the Forfeiture.....	42
a) <i>Notion</i>	42
b) <i>Conditions</i>	43
c) <i>Effects</i>	43
B. Rights and Obligations of the Insurer	44
1. The Obligation of the Insurer: Settle the Claim.....	44
a) <i>Creditor of the Payment</i>	44
b) <i>Proof</i>	44
c) <i>Amount of the Payment</i>	45
2. The Right of the Insurer: Termination After a Claim	45

SECTION 4 SPECIFIC RULES FOR DAMAGE INSURANCE.....	47
Subsection 1. The Duration of the Guarantee.....	47
A. The Loss Definition.....	47
B. Clauses Limiting the Guarantee in Time.....	47
1. Principle: Validity of Clauses Limiting the Guarantee in Time.....	47
2. Principle: Nullity of Clauses Limiting the Guarantee in Time.....	48
3. Validity of Clauses Limiting the Guarantee in Time for Professional Risks	48
Subsection 2. The Indemnity Principle.....	49
A. Application of the Indemnity Principle.....	49
1. In Property Insurance	49
a) <i>In Case of a Complete Loss</i>	49
b) <i>In Case of Partial Loss</i>	50
2. In Liability Insurance	50
B. The Excessive Insurances	50
1. Overinsurance	50
a) <i>Deceitful Overinsurance</i>	50
b) <i>Non-Deceitful Overinsurance</i>	51
2. Multiple Cumulative Insurances.....	51
a) <i>Notion</i>	51
b) <i>Regime of the Cumulative Insurances</i>	51
SECTION 5 THE BIENNIAL PRESCRIPTION IN INSURANCE LAW	53
Subsection 1. Scope of the Two-Year Prescription Period.....	54
A. Actions Subject to the Biennial Limitation Period.....	54
1. Actions Subject to the Two-Year Statute of Limitations	54
2. Actions Not Subject to the Two-Year Limitation Period	54
a) <i>Actions That Do Not Raise Difficulties</i>	54
b) <i>Action for Recovery of Undue Payments</i>	55
3. Opposability of the Two-Year Prescription Period.....	56
a) <i>Gradual Evolution of Case Law</i>	56
b) <i>A Broader Scope for Art. R. 112-1: Reproduction of the Duration of the Biennial Prescription Period, and of the Causes of Suspension and Interruption</i>	56

Subsection 2. Starting Point of the Biennial Prescription Period.....	58
A. Starting Point from 'The Event Giving Rise to It'.....	58
1. A General Principle.....	58
2. Adjustments	59
B. Deferred Starting Points	59
1. The Insured's Action against the Insurer Arising from the Recourse of a Third Party	59
2. Borrower's Insurance: Demand for Payment or Refusal of Cover.....	60
3. Subrogatory Action	60
Subsection 3. Suspension and Interruption.....	61
A. Suspension of the Biennial Limitation Period	61
1. Causes.....	61
a) <i>Inability to Act</i>	61
b) <i>New Grounds for Suspension under the Law of June 17, 2008</i>	61
2. Effects of Suspension	62
B. Interruption of the Biennial Limitation Period.....	62
1. Causes of Interruption	62
a) <i>Causes of Interruption under Ordinary Law</i>	62
b) <i>Causes of interruption specific to insurance law</i>	63
2. Effects of Interruption.....	65
Subsection 4. Implementation of the Biennial Limitation Period.....	65
A. The Insurer's Waiver of the Right to Invoke Prescription.....	65
1. The Principle of an Informed and Unequivocal Waiver	65
2. Jurisprudential Applications	66
B. Termination of Legal Action.....	67
C. The Exception of Prescription.....	67
1. Principle.....	67
2. Applications	67
CONTENTS	69