

LAW OF INSURANCE. By POH CHU CHAI. [Singapore: Malayan Law Journal 1986. xxi + 289 pp. Hardcover: S\$50.00]

THIS book is a welcome addition to local legal literature on Insurance Law. This reviewer's publications entitled *The Insurance Law of Singapore and Malaysia* (Cases, Materials and Comments) (1977), and *The Insurance Law of Malaysia* (1979) were quickly sold out, and in the absence of further editions, there was created a definite lacuna of locally written materials as correctly noted by the author.

The author has wisely targeted the marketing of the book for students and local readers; the latter term presumably encompassing insurance people and laymen as well. The book is thus notable for its

lack of a “bibliography” and confines itself to a discussion of relevant statute and case law. A reference to esoteric literature appears to have been deliberately excluded so as not to confuse the local reader.

The book mainly covers what might be termed the “General Principles” of insurance law. It has fifteen chapters. Chapters one to twelve cover insurable interest; duty of disclosure; formation of contract of insurance; insurance agents; construction of policies; proximate cause of loss; illegality; insurance claims; increase of risk; principle of indemnity; subrogation and contribution; and assignment of policies. Interestingly, the three remaining chapters deal with motor insurance and the Motor Insurers’ Bureau. The singling out of motor insurance is probably justified on the basis that it is the main type of compulsory insurance in Singapore and Malaysia and is a subject regarding which local readers would be most interested.

In thumbing through the book one notes certain points of law discussed by the author which perhaps could have been treated in a little more detail. In Chapter I, the question of insurable interest in an insurance of goods is discussed. It is pointed out that the English Life Assurance Act 1774 expressly excludes “insurance on goods”. Nor is there a common law requirement. However, an insurance of goods amounting to a “wager” would be void under s.7(1) of the Civil Law Act. It would therefore appear that an insurance of goods would require no “insurable interest” in the accepted precuniary sense, but some sort of “interest” would be necessary. Would a householder insuring the goods and furniture in his house be able to include those belonging to his Filipino maid? A more detailed discussion would have been welcome.

In Chapter II one notes that the author has dealt with the “basis clause” which has brought great unhappiness to many insured. However, it merited only a brief comment with the remark that the matter is now in the hands of Parliament to redeem the present “unequal position”. More elaboration of the “unequal position” would have been helpful and indeed may be of assistance in forcing the hands of Parliament to remedy the same.

Chapter IV deals with “Insurance Agents”. As the author is also relying on Malaysian cases it should be pointed out that the law in Malaysia with regard to the imputed knowledge of insurers through their agents has been altered since section 44A was introduced by the Malaysian Insurance (Amendment) Act, 1978, and which changes were apparently inspired by the Report of the English Law Reform Committee in 1957. Hence certain Malaysian decisions would no longer reflect the law today in Malaysia. Moreover, the author has lumped together “brokers” with agents. This is technically correct, but the modern tendency is to distinguish the two, because “brokers” are really different creatures from “agents” who form part of the field force of an insurance company. Brokers not only “sell” insurance, but also claim to be experts and advisors as well. This distinction is now seen, for example, in the Insurance (Agents and Brokers) Act, 1984 of Australia. Note also the English Insurance Brokers (Registration) Act, 1977. In fact recommendations have been made by the Singapore Insurance Brokers’ Association (SIBA) for the passing of new law to restrict the use of the term “insurance broker”.

The observations made above are not meant to detract from the value of this book. Nor is it meant to reflect on his very competent scholarship. His critique on cases such as *China Insurance v. Ngau Ah Kau*¹ (pp. 66–69) and *Gray v. Barr*² (pp. 120–122) provide most valuable reading. On the whole, the book is well written and the case law referred therein is well researched. Students and local readers for whom this book is primarily meant would find the book most worthwhile to read. Members of the legal profession, both local and foreign, should also find this book a very welcome addition to their library.

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