Proposal for introducing compulsory liability insurance of real property owners

SUMMARY

We point out in the conclusion that it would be necessary to find the most appropriate solution to protection of third parties from liability arising from possession of real estate by introducing compulsory liability insurance of real property owners. We plead that policyholders be owners or users of immovable property, not local municipalities or town assemblies. Introducing the new class of obligatory insurance makes it possible for governmental organs to cooperate with insurance companies by negotiating pure premium, making arrangements about the participation in positive loss ratio and forms of use of the fraction of insurance premium related to loss prevention and loss minimisation measures. The ways of the utilisation of these financial means are numerous, bearing in mind the characteristics of subject matter of the insurance. Compulsory liability insurance of real property owners would cover only direct (not consequential) third parties losses which are consequence of both strict and fault liability of the owner of real estates a potentially dangerous property. Mentioned losses are also covered by insurance if they are provoked by some sudden and unforeseen mechanical failure on a device or by fire, flood and/or explosion caused by an insured immovable property. In addition, liability losses are covered when they emerge gradually, in connection with the insured real property. We think that, in a broad sense, the introduction of the proposed compulsory liability insurance of real estate owners would contribute to the overall development of the Serbian insurance market. It would improve the insurance protection of persons and property which is the most important task of the insurance industry. Insurance companies might still offer additional protection for immovables owned by the insured, which means that the field of their operation stays extensive.

Key words: liability insurance, compulsory liability insurance, compulsory liability insurance of real property owners, policy conditions, insurance in Serbia

LITERATURA (REFERENCES)


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