

Switzerland l. 2nd. April 1908 art. 60; Germany l. 30th. May 1908, art. 157)

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Guarantee-insurance means a contract of insurance where the insurer agrees to make compensation, on behalf of the assured, for an injury caused to another person by such assured.

The injured person is entitled to receive the compensation actually due to him from the insurer directly, but such compensation cannot exceed the sum due by the insurer under the contract. *In any case where an action arises between the insurer and the injured person, the assured shall be summoned to appear.*

The insurer is not discharged from his liability to the injured person by delivering the compensation to the assured, unless he proves that the sum paid has been transferred by the assured to the injured person.

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If the compensation paid under the contract does not cover the whole of the compensation due by the assured, he remains liable to the injured person for the surplus, unless

such injured person has failed to summon the assured to appear in an action between the injured person and the insurer if any.

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(Note. - Question of the privilege