

PART III. - GUARANTEE INSURANCE

22

Guarantee-insurance is a contract of insurance where the insurer agrees to make compensation, on behalf of the assured, for a loss caused to another person ^{and} for which the assured is responsible.

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 an action between the injured person and the insurer, the injured person shall summon the assured to appear in the action.

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

20

If the compensation paid by the insurer under judgment does not cover the whole amount of the loss, the assured remains liable for the difference unless the injured person has failed to summon the assured to appear in the action as provided by the foregoing section.