

## (1) CONTRACT OF INDEMNITY [124]

- i) Security against loss
  - ii) to make good the loss
  - iii) to compensate the party who has suffered some loss.
- } INDEMNITY  
(literally means)

- The term "Contract of Indemnity" is defined Section 124,

"A contract by which one party promises to save the other loss caused to him by the conduct of the promisor himself, or by the conduct of any other person"  
(Not God)

- parties :- (i) promisor (Indemnifier)  
(ii) promisee (Indemnified / Indemnity holder)

- Mode of Contract of Indemnity :-

(i) express - a person expressly promises to compensate the other from loss.

(ii) Implied - it is to be inferred from the conduct of the parties

or

from the circumstances of the case.

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- Rights of Indemnity - holder when sued (Section 195)

(a) All damages which he may be compelled to pay in any suit.

(b) All costs which he may have been compelled to pay in defending the suit.

(c) All sums he may have paid under the terms of any compromise of suit.

- When does the liability of an indemnifier commence?

Liability of an indemnifier commences as soon as the liability of the indemnity holder becomes absolute and certain.

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