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Insurance and reinsurance claims in Lebanon

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Claims

General

What general rules, requirements and procedures govern the filing of insurance claims?

Insurance claims are filed based on the terms of the insurance policy in light of the common law. Quality, interest and capacity are to be gathered in the subject filing the claim.

Time bar

What is the time bar for filing claims?

Article 985 of the Code of Obligations and Contracts (COC) sets the time bar for filing claims at two years.

Denial of claim

On what grounds can the (re)insurer deny coverage?

Deny of coverage may be based either on the policy itself or on stipulations set by Lebanese law (eg, the COC) and can be for reasons such as prescription of time bar.

What rules and procedures govern the insured's challenge of the denial of a claim?

Insurance claims are filed before an insurance arbitration council that is set up at the Ministry of Economy and Commerce to look into disputes relating to financial claims resulting from medication and hospitalisation insurance policies, as well as insurance policies covering vehicles, carriages and traffic accidents, subject to the following two conditions:

- the amount of the claim must be inferior to L£75 million Lebanese; and
- the plaintiff must not have introduced a court action in connection with the same case. Should a court action be taken subsequent to the submission of the dispute to the arbitration board, the latter will suspend the case, and will then cross it out as a matter of course or at the request of one of the parties.

Verdicts by the insurance arbitration council are not open to recourse, except appeal, the appeal by third parties and the recourse to the Cassation Court in conformity with the rules stated in the Code of Civil Procedure.

Third-party actions

On what grounds can a third party file a claim directly with the (re)insurer?

A third party may file a claim directly with the (re)insurer if such party has suffered damage and the damage is insured. Subrogation actions are admissible if their legal elements are gathered.

Punitive damages

Are punitive damages insurable?

In principle, punitive damages are not insurable.

Subrogation

What regime governs (re)insurers' subrogation rights?

Subrogation of rights is governed by the COC. In terms of insurance, the insurer that has paid the insurance indemnity is subrogated, by right, in all the rights and claims of the insured against all third parties involved.

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