

In the name of His Highness Sheikh Tamim bin Hamad Al Thani, Emir of the State of Qatar

Neutral Citation: [2023] QIC (F) 14

IN THE QATAR FINANCIAL CENTRE CIVIL AND COMMERCIAL COURT FIRST INSTANCE CIRCUIT

Date: 1 May 2023

CASE NO: CTFIC0003/2023

SEIB INSURANCE AND REINSURANCE COMPANY LLC

<u>Claimant</u>

v

ACTION INTERNATIONAL SERVICES LLC

Defendant

JUDGMENT

Before:

Justice Her Honour Frances Kirkham CBE Justice George Arestis Justice Fritz Brand

Order

- 1. The Defendant shall pay the Claimant the sum of QAR 165,105.00 within 14 days of the date of this judgment.
- The Defendant shall pay the Claimant simple interest on QAR 165,105.00 at the rate of 5% from 10 May 2020 until the date of payment
- 3. The Defendant shall pay the Claimant its reasonable costs of these proceedings, to be assessed by the Registrar if not agreed.

Judgment

- The Claimant is an insurance company registered in the Qatar Financial Centre. Pursuant to an insurance policy concluded between the Claimant and Al Sadiq Construction Company (the 'Insured'), it insured equipment owned by the Insured while the latter was carrying out works on a project where the Defendant company was located as a subcontractor.
- It is the case for the Claimant that the Defendant, by its negligent use, damaged a Volvo drilling rig (EC 220) covered by the above-mentioned policy. The Claimant instructed Sedgwick LLC ('Sedgwick') to assess the damage and cost of repair. Sedgwick assessed the cost of repair and losses at QAR 144,805.00. Sedgwick charged a fee of QAR 12,300.00.
- 3. The Claimant incurred a charge of QAR 8,000.00 for relocating the equipment from the site to the repair site.
- 4. It is further the allegation of the Claimant that it paid QAR 144,805.00 to the Insured. On 28 April 2020, it received both a discharge and a declaration by the Insured that the Claimant was entitled to bring an action against third parties in place of the Insured.
- 5. The Claimant now claims QAR 144,805.00 plus QAR12,300.00, representing Sedgwick's fees, and QAR 8,000.00, representing the costs of relocating the drilling equipment from the project site to the repair site. Accordingly, the Claimant's claim is

for actual damages in an aggregate amount of QAR165,105.00. In addition, there is a claim for an additional amount of QAR 50,000.00 as "*compensation for the damage*".

- 6. The Claimant further contends that, by a letter dated 10 May 2020, the Insured acknowledged responsibility for the damage caused to the drilling equipment but under various excuses refused to undertake its repair.
- 7. The Claimant initially brought an action against the Defendant before another national court of the State of Qatar which, however, decided that it lacked jurisdiction to adjudicate and determine the case, as the Claimant is a company registered in the Qatar Financial Centre.
- 8. The Claim Form and all supporting documents were duly served by registered post on the Defendant on 18 January 2023, but the latter failed to file a Defence on time or at all. The Claimant filed an application for summary judgment which was duly served on the Defendant on 13 March 2023, but again the latter failed to respond within the period of 28 days as required by Practice Direction No. 2 of 2019 (the '**Practice Direction**').
- 9. As it has already been stated above, the Claimant is a company established under the laws of the Qatar Financial Centre and registered accordingly, so this Court has jurisdiction to deal with this dispute.
- 10. A Claimant is entitled to summary judgment where the Court is satisfied that there is no prospect of a Defendant successfully challenging the claim or particular issues therein. According to the Practice Direction, an application for summary judgment must be accompanied by a witness statement which shows that the claim and the application have been served and in addition sets out the grounds for the application. It must be verified by a statement of truth in accordance with article 27 of the Court's Regulations and Procedural Rules. Here, there is no separate witness statement, but such a statement with a statement of truth is incorporated in the application for summary judgment.
- 11. The Claimant relies on article 793 of the Civil Code of the State of Qatar which provides (in translation):

In insurance against damage, the insurer may by law, to the extent of the indemnity paid by him, subrogate the insured in such claims that the insured may have against the person liable for the insured damage, unless such person is a relative or a son-in-law of the insured living together with him, or a person for whom the insurer is liable. The insurer shall not be liable to the insured for the payment of the insurance amount or any part thereof if such subrogation is impossible due to the insured.

12. The Court of Cassation of the State of Qatar (in case number 110 of 2020, 21 April 2020) stated in that case (in translation):

The insurers recourse against the party responsible for the damage for the compensation it paid: Legal subrogation is based on the law, not the insurance contract. Articles 324, 328 and 793 [Civil]. This means the independence of that right from the insurer's contract and its provisions.

- 13. Having carefully examined the facts stated in the Claim Form and the supporting documents, as well as the application for summary judgment, we are satisfied that the Claimant is entitled to judgment on its claim. There is no reason why summary judgment should not be granted. Accordingly, we conclude:
 - that the Claimant is by subrogation entitled to claim from the Defendant the compensation it paid to the Insured in respect of the damage to the drilling rig; and
 - ii. that the Claimant is entitled to claim from the Defendant the costs it incurred in arranging for the damage to be assessed and in transporting the rig to the repair site.
- 14. The Claimant is thus entitled to be paid the costs it incurred in the total amount of QAR 165,105.00.
- 15. We are not, however, satisfied that the Claimant is entitled to the amount of QAR 50,000.00 claimed as "*compensation for the damages*". No evidence has been provided

to explain how this sum is calculated or the loss it is said to represent, or any explanation given justifying this claim.

- 16. The Court, however, finds it fair and proper to award interest at the rate of 5% per annum on the above amount of QAR 165,105.00. The Claimant paid the Insured the amount of QAR 144,805.00 on 28 April 2020. The Defendant acknowledged liability by letter dated 10 May 2020. It is fair to award interest from the date of that acknowledgement, i.e. 10 May 2020.
- 17. The Claimant has succeeded in its claim. It is also entitled to its reasonable costs, to be assessed by the Registrar if not agreed between the parties.



By the Court,

[signed]

Justice George Arestis

A signed copy of this Judgment has been filed with the Registry.

Representation

The Claimant was represented by the Al-Sulaiti Law Firm (Doha, Qatar).

The Defendant did not appear and was not represented.