



محكمة قطر الدولية  
ومركز تسوية المنازعات  
QATAR INTERNATIONAL COURT  
AND DISPUTE RESOLUTION CENTRE

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

**Neutral Citation: [2024] QIC (F) 61**

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

Date: 29 December 2024

**CASE NO: CTFIC0037/2024**

NASSER AL-ALI ENTERPRISES WLL

**Claimant**

V

GULF INSURANCE GROUP BSC

**Defendant**

---

**JUDGMENT**

---

**Before:**

**Justice Fritz Brand**

**Justice Dr Muna Al-Marzouqi**

**Justice Dr Yongjian Zhang**

---

**Order**

1. The Defendant is to pay the Claimant the sum of QAR 200,000 within 7 days of the date of this judgment.
2. The reasonable costs incurred by the Claimant in pursuing its claim are to be assessed by the Registrar if not agreed.

**Judgment**

1. The Claimant is a company established in the State of Qatar (the ‘**Insured**’) and is not registered in the Qatar Financial Centre (‘**QFC**’). The Defendant is an insurance company established under the laws and regulations of the QFC (the ‘**Insurer**’). The Claimant entered into an insurance agreement with the Defendant on 6 January 2019 to ensure the Claimant’s workers, whose names were annexed to such agreement, were protected from occupational injuries. The agreement was valid until 31 December 2019. The dispute found its roots in that insurance agreement.
2. On 8 May 2019, one of the Claimant’s workers, who was a beneficiary under the insurance agreement, suffered injuries in a traffic accident in the course of his employment, which resulted in his death. The accident occurred during the insurance period, which started on 6 January 2019 and lasted until 31 December 2019.
3. Coincidentally, the vehicle involved in that accident was also insured by the Defendant according to the road accident report. Accordingly, the Defendant paid the legally determined blood money to the heirs of the deceased worker (who became the beneficiaries under the insurance agreement) under the provisions of the penal code of the State of Qatar (criminal responsibility for unintentional death).
4. The heirs of the deceased worker submitted an application in 2021 before the Labour Disputes Resolution Committee, claiming compensation for the death of their breadwinner

during the course of his employment, under the provisions of article 110 of the Labour Law of Qatar (Law No. 14 of 2004).

5. During the course of that litigation, the Defendant was joined as a co-defendant with the present Claimant at the latter's request to oblige it to pay the value of the compensation in its capacity as Insurer, pursuant to the terms of the insurance agreement.
6. On 14 June 2022, the Labour Disputes Resolution Committee issued its decision in the case as follows (the '**Labour Case**'):
  - i. The Defendant in the Labour Case was obliged to pay the Claimants (the heirs of the deceased worker) an amount of QAR 200,000 plus expenses.
  - ii. The Committee had no jurisdiction over the subject matter of this judgment.
7. This ruling was upheld on appeal on 5 October 2022 (the '**Appellate Division Decision**').
8. On 13 October 2022, the Claimant sent a letter to the Defendant requesting it pay the compensation value of QAR 200,000. The Claimant attached the Appellate Division Decision and other supporting documents to the letter. The Defendant signed and acknowledged receipt of the documents.
9. In addition, the Claimant contacted the Defendant between 2 January 2023 and 2 February 2023 via WhatsApp regarding payment of the compensation amount it claimed. These messages show that the Defendant promised to pay the amount (which was not challenged by the Defendant); however, all the Claimant's attempts to settle the dispute amicably failed, and payment was never made by the Defendant. One of the messages sent to the Claimant by the Defendant reads as follows:

*Can you send me the template for the release of liability agreement if you have it so we can slightly edit it if needed, if not it's okay we can keep it as it is. Hopefully we can then release the cheque for Nasser Al Ali Enterprises accordingly.*

10. Hence, the Claimant filed this claim on 11 September 2024, seeking, inter alia, the following:

*Obliging the Defendant to pay the Claimant an amount of QAR 200,000, the compensation value adjudged to the heirs of the deceased worker of the Claimant based on the insurance agreement concluded between the Claimant and the Defendant.*

11. On 18 August 2023, the Enforcement Court of the State of Qatar enforced the Appellate Division Decision issued on 5 October 2022 against the Claimant. In consequence, QAR 200,000 was deducted from the Claimant's bank account.

12. This Court has jurisdiction to hear this case by virtue of article 8 C/4 of the QFC Law (Law No. 7 of 2005) as amended, which states the following:

*C/4 Civil and Commercial disputes arising out of transactions, contracts or arrangements made between entities established on the Centre on the one hand, and persons residing in the State, or entities established in it, outside the Centre, on the other hand, unless the parties agree otherwise.*

13. In its Statement of Defence, the Defendant raised one ground of defence, namely:

*The Defendant is discharged from its obligation to compensate the Claimant due to the settlement agreement concluded with the heirs of the deceased worker and the payment of QAR 200,000 directly to the heirs.*

14. The Defence has its origin in the case of *Manwara Begum and others v Gulf Insurance Group BSC* [2023] QIC (F) 34, which was filed in this Court by the heirs of the deceased worker against the Defendant and the driver of the car that caused the accident, requesting the following:

- i. To oblige the Defendants jointly to pay the Claimants the amount of QAR 200,000 as compensation for the death of their breadwinner due to the accident.
- ii. To oblige the Defendants jointly to pay the Claimants the amount of 1,000,000 Qatari riyals for material and moral damages.
- iii. To oblige the Defendants jointly to pay the Claimants the amount of 1,000,000 Qatari riyals as compensation for the consequential damage they suffered.

iv. To oblige the Defendants jointly to pay the costs.

15. The case was concluded via settlement between the Defendant and the heirs of the deceased worker on 24 January 2024 (the ‘**Settlement Agreement**’). The Defendant specifically relied on the following clauses of the Settlement Agreement to support its defence in this case:

*... the settlement, in Clause 3, paragraph 1, included the abatement of the right of the above-mentioned heirs of the deceased to any claim or rights arising based on judgments issued by any judicial or quasi-judicial authority related to accident No 4009-21-2019. In addition, Clause 4 provides for the discharge and release of the Defendant from any obligations towards the heirs of the deceased in connection with all rights, debts, and any amounts awarded subject to judgments issued by any judicial or quasi-judicial authority. Furthermore, they may not claim any deed, cheque, promissory note, contract, document, acknowledgment, or any written or unwritten obligation prior to the date of this settlement, which shall be considered terminated, null, void and of no value.*

16. In support of its defence, the Defendant also cited article 218 of the Civil Code (Law No. 22 of 2004), which states the following:

*...[t]he payment of diya [blood money] as a guarantee for bodily harm does not preclude the aggrieved party's right to seek compensation for other damages from the person liable under the provisions of liability for the tortious act, unless it is proven that they have waived their right thereto.*

17. Thus, the Defendant contended:

*...[t]he heirs of the deceased worker have waived their right to their claim against the Defendant Company for all types of compensation resulting from the death of their decedent by entering into a settlement agreement on a subsequent date on 24/01/2024, ... and they have released the Defendant Company from all compensation, dues, and amounts awarded in judgments issued by judicial or quasi-judicial authorities prior to the date of drafting this agreement.*

18. Based on the Settlement Agreement, the Defendant paid the amount of QAR 200,000 to the heirs of the deceased worker on 24 January 2024.

19. As to the validity of the Settlement Agreement between the Defendant, acting as the Insurer on the one hand, and the heirs of the deceased worker on the other, the Defendant based its defence on various cases and statutes.

20. According to Abdul Razzaq Al-Sanhouri, in *The Mediator in Explaining the Civil Law* (Volume II - Book VII, pp. 1671 – 1675, Dar Al-Nahda, Cairo, 1970, [Arabic original]):

*The aggrieved party has a direct right against the insurer in the civil liability insurance contract between the insurance company and the insured, without the need for a specific statutory provision. This is based on the theory of stipulation for the benefit of a third party...*

21. Article 179 of the Civil Code (Law No. 22 of 2004) stipulates that:

- i. *A person (the Claimant as the insured employer) may, in a contract for their own benefit, stipulate with the other contracting party (the Defendant insurer) certain obligations that the latter undertakes to perform for a third party (the aggrieved party or the heirs of the deceased), if the stipulator has a material or moral interest in the performance of these obligations.*
- ii. *In the stipulation for the benefit of a third party, the beneficiary may be a future person or an unidentified person at the time of the stipulation, if it is possible to identify them upon the performance of the stipulated obligation.*

22. Article 180 of the same law explicitly states that:

*The stipulation for the benefit of a third party results in the beneficiary (the aggrieved party or the heirs of the deceased) having a personal right against the obligor (the Defendant Insurance Company) which they may directly enforce, unless otherwise agreed.*

*The stipulator may demand that the obligor perform the stipulated obligation for the beneficiary, unless it is evident from the contract that this right is exclusively reserved for the beneficiary.*

23. The relief sought by the Defendant is:

- i. The dismissal of the entire case for lack of validity and evidence, and the release of the Defendant's liability from any and all claims and rights asserted by the heirs of the deceased.

- ii. To oblige the Claimant to pay the costs incurred in bringing this case.

24. The Claimant filed its Reply to the Statement of Defence which included the following:

*Non-enforcement of the settlement concluded between the Defendant and the heirs of the deceased worker since the Claimant previously paid the compensation amount and the Defendant's prior knowledge thereof has been proven.*

25. The main purpose of insurance is to indemnify the insured against the liability it may incur in the event of the occurrence of the insured risk (the worker's death in this case). The Insurer is not discharged from its liability towards the Insured unless it pays the compensation amount for the insured damage.

26. Again, according to Abdul Razzaq Al-Sanhouri, in *The Mediator in Explaining the Civil Law* (Volume II - Book VII, pp. 1682, Dar Al-Nahda, Cairo, 1970, [Arabic original]), there are two conditions that must be fulfilled in order for beneficiaries to cases directly against insurers:

- i. The compensation of the insured risk is not paid.
- ii. The insured must be a party to the dispute.

27. In the instant case, the Claimant paid the compensation to the heirs of the deceased worker, and it was neither a party to the dispute brought by the heirs against the Defendant in March 2023, nor a party to the Settlement Agreement concluded on 24 February 2024.

28. The Defendant had prior knowledge that the Claimant had previously paid the compensation owed to the heirs of the deceased worker. The Claimant relied on the following as evidence to demonstrate the Defendant's prior knowledge of the compensation payment that was made to the heirs of the deceased worker:

- i. The Defendant was a joint litigant in the Labour Case. That decision was upheld on appeal (it is worth noting that the Labour Committee, in that case, decided it was not competent to render a judgment against the Defendant as it is a QFC entity).
- ii. The Claimant's letter was sent to the Defendant requesting the payment of the compensation amount to the heirs of the deceased worker. The letter was affixed with the Defendant's original signature and stamp.
- iii. WhatsApp exchanges between the parties regarding the amicable dispute settlement between January and February 2022.

29. The case was set down for an in-person hearing on 10 December 2024. The Claimant was represented by Mohamed Abdullah Al-Malki Law Firm. The Defendant was represented by Al-Mahmoud Law Firm.

### **Court decision and reasoning**

30. The Court will now turn to decide the matter. The issues in this case are:

- i. Whether the Defendant is bound to indemnify the Claimant for QAR 200,000 paid to the heirs of the deceased worker, or whether it is discharged from its obligation towards the Claimant by having signed the Settlement Agreement with the heirs of the deceased worker.
- ii. Whether the Claimant is bound by the Settlement Agreement concluded between the Defendant and the heirs of the deceased worker.

31. To address the issues, the Court relied on the insurance agreement and the relevant articles in the Civil Code (Law No.22 of 2004) and the Labour Law (Law No.14 of 2004).

32. Under the insurance agreement signed between the parties, the Defendant's primary obligation as Insurer is to indemnify the Claimant as Insured if the insured risk occurred. In the present case, one of the Claimant's workers died due to an accident whilst performing



his duty. Thus, his heirs filed a claim against the Claimant and the Defendant was joined to the same lawsuit.

33. Normally, in such cases, the Insurer and the Insured are the defendants, or one is a defendant, and the other is a joined litigant.

34. Article 110 of the Labour Law (Law No. 14 of 2004) of the State of Qatar states that:

*Heirs of the Worker who dies by reason of the Work, and the Worker who suffers an Occupational Injury resulting in whole or partial disability, shall have the right to receive compensation. The amount of the compensation, in the case of death, shall be calculated in accordance with the provisions of the Islamic Law (Shariah)...*

35. Article 793 of the Civil Code (Law No.22 of 2004) provides that the Insurer may subrogate the Insured in such claims:

*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.*

36. In this case, both parties were parties in the cases before the Labour Dispute Resolution Committee and the Appellate Division. However, since the Defendant is a QFC entity, the court only rendered a judgment against the Insured. It obliged it to pay the heirs QAR 200,000, and this was upheld on appeal. The Court then enforced its decision on 18 August 2023.

37. Between 13 October 2022 and 2 February 2023, the Claimant demanded payment of the compensation from the Defendant. None was forthcoming.

38. Thus, in March 2023, the heirs of the deceased worker filed another claim against the Insurer before this Court seeking the payment of the compensation of QAR 200,000 in addition to other relief. The case was concluded by a Settlement Agreement dated 24 January 2024 between the Defendant and the heirs of the deceased worker.

39. During the hearing, the Claimant argued that it was not a party to that dispute and that the Defendant did not even notify it of the Settlement Agreement. The Defendant unilaterally decided to enter into a Settlement Agreement by which it compensated the heirs a sum of QAR 200,000.
40. The Defendant argued that its obligation towards the Claimant was discharged by virtue of the Settlement Agreement, and it had no legal obligation to notify the Claimant about such settlement. During the course of the hearing, the Defendant was asked whether it would have paid had it notified the Claimant about its intention to end the dispute by a Settlement Agreement and knew that the Claimant had already done so. Its answer was, “*definitely no.*” Additionally, the Defendant was asked about the reason for not notifying the Claimant about the Settlement Agreement, and the answer was that there is no statutory obligation imposed on it to do so.
41. The Court concludes that this argument must fail. Although there is no clear legal obligation to do so, factually, it should have done so. The reason is obvious. It is that its failure to do so created the very risk that materialised in this case of the heir’s beneficiary being paid twice for the same type of compensation, (i) based on the Settlement Agreement, and (ii) based on the Appellate Division Decision rendered against the Claimant on 5 October 2022.
42. Thus, the Defendant paid the compensation according to the Settlement Agreement in the absence of the Claimant at its own risk. If it had told the Claimant, it would be able to raise the prior payment of the compensation by the Claimant on 18 August 2023 as a defence against the claims by the heirs against it before this Court.
43. The Court acknowledges the right of the beneficiary to claim compensation directly from the Insurer under article 179 of the Civil Code (Law No.22 of 2004) as argued by the Defendant. However, the Insured must be notified of that lawsuit to avoid the risk of double compensation. Thus, the Defendant must bear the consequences of that risk materialising, and not the Claimant.

44. The argument raised by the Claimant during the hearing that the Defendant knew about the compensation request before filing the case against it by the heirs is supported by the evidence before the Court. The Defendant was a joint litigant in the Labour Case. The Claimant was asked first on 13 October 2022 to pay the compensation, and the Claimant followed up on such request until 2 February 2023.
45. Furthermore, during the hearing, the Defendant submitted that it paid the heirs QAR 200,000 based on the Appellant Division Decision in the Labour Case. The Court finds this irresponsible without notifying the Claimant.
46. Additionally, the Defendant is not discharged from its obligation under the insurance agreement towards the Claimant unless it fulfils its obligation towards the Claimant when it was asked to do so. This is the heart of the insurance agreement. Such obligation finds its legal ground in articles 790 and 791 of the Civil Code (Law No.22 of 2004). Article 790 states that:

*Upon the occurrence of the insured risk or the maturity of the premium under the contract, the insurer shall pay the insurance amount due within thirty (30) days from the date on which the insured provides the required statements and documents in support of his right.*

47. Article 791 also provides that:

*In insurance against damage, the insurer shall commit to indemnify the insured against damage arising from the occurrence of the insured risk...*

48. Therefore, based on articles 790 and 791 of the Civil Code (Law No. 22 of 2004), the Insured retained the right to claim the compensation sum resulting from the occurrence of the insured risk from the Insurer. The Claimant did provide the Defendant with the supporting documentation to compensate it based on the insurance agreement after the Labour Case, which was upheld by the Appellate Division Decision and in which the Defendant was a joint litigant. Nevertheless, the Defendant failed to fulfil its legal and contractual obligations towards the Claimant.

49. In its argument, the Defendant further raised in its defence that the Claimant was obliged to appeal the Appellate Division Decision in the Labour Case to the Court of Cassation as it might have overturned the decision or reduced the compensation amount. But we find this defence unsustainable, as refraining from doing so in no way discharges the Defendant from its obligation to indemnify the Claimant upon the occurrence of the insured risk. In addition, there may be no proper ground of appeal in any event.

50. As to the costs order, as the Claimant was the successful party in this dispute, the Defendant shall bear the costs the Claimant incurred in bringing its claim before this Court. The costs are to be assessed by the Registrar if not agreed.

**By the Court,**



**[signed]**

**Justice Dr Muna Al-Marzouqi**

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

## Representation

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

The Defendant was represented by the Al-Mahmoud Law Firm (Doha, Qatar).