

THE INSURANCE CONTRACT - A SUPPORT IN THE BUSINESS SPHERE

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Abstract

The Romanian Civil Code regulates, in the IXth Title (Various special contracts) of Book V (About obligations), a wealth of contracts, in a greater number than the old civil legislator (sale and purchase, exchange, lease, society, transport, warehouse, insurance, loan etc.), but the subject of this article makes me move towards the assurance contract. The insurance activity materializes as a contract by which, according to the Romanian Civil Code, the policyholder or the insured is obliged to pay a premium to the insurer, and the latter undertakes, if the insured case occurs, to pay an allowance, where necessary, to the insured, the insurance beneficiary or the injured third party. The insurance contract is commonly used in business because operators are subject to numerous risks and, for the safety and future of their business, for this activity to have as much life span as possible, they must ensure all goods and persons representing "the engine" of their business, as well as the licit/illicit unexpected events. The insurance area is a business, and more than that: it can support a business.

Keywords: insurance contract, business, market economy, commerce, trader.

JEL Classification: K12, K2

1. The insurance contract between the civil and the commercial law

Needless to say that the main purpose of the contract is to "put the society on its feet", to support the fluidity, the fluency of the legal relations from the society, what we know as the freedom to contract being recognized to each person.² It can be said, then, that this legal instrument contributes towards satisfying the material and spiritual needs of individuals, acting as an extension or, better said, as a continuation of their personality. And as each person's personality differs from its peers, so the content of the contracts varies, even if they have the same naming.

Every human action is based on a shred of his will, whereby it grows, it is made known to the immediate world. What defines a person is, in the view of some, *the ability to think*. When asked "Who is the human being?", the philosopher Rene Descartes used to answer: "He who thinks (*Je suis une chose qui pense*)"³. In his view, the whole existence of man was tied to this *ability to think*, that is, to understand, to express disbelief, to affirm, to deny, to accept, to refuse, to imagine - in the end to externalize through all of these. For Henri Bergson, the specificity of human action is *the ability to fabricate tools*, the power of man reaching those around him due to his creations. His creations are not restricted to just organic instruments, such as the animals', but also to the tools that are independent to the body, jutting out their unlimited customization. Speaking of "Homo faber", Henri Bergson says that "... the intelligence, the imagination through what seems to be the initial attitude, is the faculty of artificial objects manufacturing, especially tools to make tools, and of unlimited product variation."⁴

Man is, therefore, a rational being who, most often, expresses his feelings and actions through words or gestures - as we have seen, he externalizes his intentions. If these intentions are to produce legal effects, we can speak, in general terms, about the legal act and, in special terms, about the contract.

The contract is the main source of obligations, both in Romanian law and in the vast majority of foreign legal systems, taking the form of a treaty on an international level. In the listing of the obligations' sources, the contract becomes dominant, as evidenced by the 1165th art. of the Civil Code, its existence being undeniable.

It facilitates, it arranges all types of relationships in which people are involved, starting from the most simple and insignificant of them in an economically way and which are quickly

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² The Romanian Civil Code includes this principle in art. 1169, which states that the parties are free to enter into any contracts and establish their content, but without overcoming certain barriers imposed by law, public order and morals.

³ Rene Descartes, *Meditații metafizice*, cited in *Filosofie Tip B, Manual pentru clasa a XII-a*, Ed. CD Press, Bucharest, 2007, p. 13.

⁴ Henri Bergson, *Evoluția creatoare*, cited in *Filosofie Tip B, Manual pentru clasa a XII-a*, Ed. CD Press, Bucharest, 2007, p. 16.

overlooked (purchasing of food items, books, clothing, etc.) and ending with the more complex ones, oriented towards organization and coordination of major economic activities, with lasting consequences on the state of origin or to a foreign state.

All human relationships are inconceivable without an harmonization, without covering them with a protective layer, without being taken care of, most often achieved through the contract. For in their lifelong, they conclude, most often without knowledge, low value contracts, even before the age of 14, at which the exercise capacity is nonexistent. Closely tied to the national economy, the contract is a productive tool through which the legal system blazes a path within the continuing development of undertaken for profit activities, both planning and carrying out the tasks that belong to those who conduct these activities.

Our Civil Code regulates, in the IXth Title, (*Various special contracts*) of Book V (*About obligations*) a wealth of contracts, in greater numbers than the old civil legislator (sale and purchase, exchange, lease, society, transport, warehouse, insurance, loan etc.), but the subject of this article makes me want to orientate toward *the insurance contract*. First, I will try to determine whether on this contract, civil or commercial influences manifest and to what extent, and then I'll identify its role in the Romanian business sphere. How often is this contract used in business and especially what is it used for? What are the advantages of concluding such a contract for the setting up, stability and growth of a business? To answer these questions I will utilise the business insurance contract, a category of insurance contract currently little studied and which is subject to continuous waves of changes in a continuous economic development society.

Lato sensu, the insurance concept designates a social and economic activity that aims to protect individuals and legal entities, as insured, against different factors or different risks, carried out by companies and specialized groups, as insurers. Also, through the insurance operation, after a damaging event took place, the insurer compensates the insured with a sum of money called indemnity or insurance premium⁵; *stricto sensu*, the insuring materializes as a contract by which "the policyholder or the insured is obliged to pay a premium to the insurer and the latter undertakes, if the insured risk occurs, to pay an allowance, where necessary, to the insured, the insurance beneficiary or the injured third party" [art. 2199 alin. (1) C. civ.]. Alongside these definitions I will mention the opinion of Professor Francis Deak⁶, in accordance to whom "through the insurance contract, one of the parties, called the insured (or contractor) undertakes to pay the other party, called the insurer, a determined certain amount of money (insurance premium) and the insurer obliges, in the event of an insured case occurrence, to pay the insurance indemnity, in accordance with the contract, to the insured (or contractor) or to the third-party beneficiary."

Without going into details, the insurance contract has the following features:

- it is *a mutually binding contract*, whereas the rights and obligations of contracting parties are reciprocal and interdependent, which means that each party has, at the same time, both a creditor and a debtor status against the other party;

- it is *a contract for consideration*, as both sides seek to own or have a financial interest, as stipulated in art. 1172 alin. (2) C. civ., "Each side seeks to procure an advantage in exchange to the committed obligations" and, further, *a random contract*, because the parties, in the moment of the contract's conclusion, cannot know whether the incident or, more concretely, the insured case will occur or not;

- it is *a consensual contract*. Although art. 2200 C. civ. mentions that this contract must be concluded in a written way, this is only necessary for its evidence, not for its validity;

⁵ If a legal definition is needed, according to art. 1 alin. (2) pt. 2 from Law no. 237/2015 regarding the authorization and supervision of insurance and reinsurance activity (published in M. Of., Part I no. 800 from 28 october 2015), the insurance is "an activity conducted in or from Romania, which refers mainly to offering, mediation, negotiation, conclusion of insurance and reinsurance contracts. collection of premiums, damage liquidation, decline and recovery activity, as well as investing or taking advantage of own funds attracted by carried work".

⁶ Francis Deak, *Drept civil. Teoria contractelor speciale*, Ed. Didactică și Pedagogică, Bucharest, 1963, p. 289.

- basically, the insurance contract is considered as being a part of the *adhesion contracts*, because its clauses belong to one of the parties (the insurer), without the possibility of the other party to discuss them, but only to accept or reject them⁷;

- it is *a contract with successive execution*, as the policyholder pays the insurance amounts regularly;

- finally, it is *a named contract* (being found in the Civil Code) and *a primary contract* (it has an independent existence, it does not depend on the existence of any other contract).

But more important to distinguish in this study is whether the insurance contract reveals a civil or commercial aspect.

Traditionally, the insurance contract is concluded between two sides: I'm talking about *the insured* and *the insurer*. Among these, other parties may intervene, such as *the policyholder*, meaning the person who signs the contract and takes over the obligation to pay the premium, and who can either identify himself with the insured person or conclude the contract on behalf of the insured person, as well as *the beneficiary of insurance* - if the policyholder concludes the contract on behalf and in the interest of the insured, the latter becomes the beneficiary of the insurance. In the simplest (and common) way, the insured concludes the contract personally, cumulating the quality of both the contractor and the beneficiary. If the insured can be a natural or legal person that seeks to protect the life, physical integrity or its assets as a result of a risk occurrence, the insurer can only be an authorized legal person, as reflected in the Civil Code and in the Law no. 237/2015 regarding the authorization and supervision of insurance and reinsurance activity (the latter law defines the insurer as a direct life insurance or direct general insurance company, who is authorized to operate in accordance with its dispositions). More explicit was the former art. no. 11 from Law no. 32/2000⁸, repealed in the moment of speaking by pct. 15 of art. 180 from Law no. 237/2015, according to which the insurance business in Romania could be exercised only by:

a) Romanian legal entities constituted as joint companies and/or mutual companies, authorized by the Insurance Supervisory Commission⁹;

b) insurers or reinsurers authorized in the Member States, which carry out insurance or reinsurance activity in the Romanian territory, under the right of establishment and freedom to provide services;

c) branches belonging to parent - companies governed by laws from a third country, authorized by the Insurance Supervisory Commission;

d) subsidiaries of insurers or reinsurers from third countries, authorized by the Insurance Supervisory Commission;

e) insurers or reinsurers that adopt the European stock company form (SE - *Societas Europaea*).

In this situation, given the quality of the parties, and especially the positioning of the insurance contract in the civil contracts group, the issue of its nature - civil or commercial - appends. As it's well known, following the adoption of the current Romanian Civil Code, many laws and even some codes (the Commercial Code and the Family Code) were repealed, out of the willingness of private law to encompass all these law branches (civil law, commercial law, family law, international private law) in a single coding. Thus, civil law has become the common law for other law branches also, such as commercial law or family law, truth illustrated in art. 2 par. (2) of the Civil Code. "The traditional civil - commercial dualism has been renounced, and the monistic concept has been promoted, bringing under the umbrella of a single law code - The Civil Code - both the civil law specific relations, and those between merchants (now called professionals), giving them a single regulation under the title of patrimonial and nonpatrimonial relationships between people, as subjects of civil law [art. 2 alin. (1) C. civ.]"¹⁰ In addition, Article 3 alin. (1) provides

⁷ Roberta Nițoiu, *Teoria generală a contractelor aleatorii*, Ed. All Beck, Bucharest, 2003, p. 444.

⁸ Published in M. Of. Nr. 148 from 10 april 2000.

⁹ Following legislative changes in 2013, the Insurance Supervisory Commission, together with other institutions of oversight and control, was abolished, and the assets and money equivalents were taken over by the Financial Surveillance Authority.

¹⁰ Iosif Robi Urs, Carmen Todica, *Drept civil. Teoria generală*, Ed. Hamangiu, Bucharest, 2015, p. 9.

that the Code applies to the relations between professionals also, and to the relations between them and any other civil law subjects. This phrase is reminiscent of concluding an insurance contract, and could easily materialize in the form of drawing up such a contract.

In a legal sense, the commerce activity includes "all the operations for the production of goods, interposition in the exchange and movement of goods, the execution of deeds and the provision of services".¹¹ Even if the old Commercial Code was repealed, the former art. 3 of its content should also be noted; although it did not define the acts of commerce, it included a list of them: purchases, sales and leases of goods, sales of government stocks, construction companies, factories and manufacturing, undertaking commissions, agencies and business operations, supply of services (such as bank and exchange operations, *insurance operations*) etc. With some modifications added, these activities are available at the moment. They are found in art. 8 paragraph. (2) of Law no. 71/2011 for the implementation of Law no. 287/2009 on the Civil Code¹². According to this article, the Civil Code is focused on "the economic sense of the commerce term, that of interposition in the exchange and circulation of goods, namely the operations of buying of goods for purpose of resaling them or saling them after they have been purchased for this purpose".¹³ So, the commerce acts and facts are treated by the civil legislator with the production, trading or service provision activities, the insurance business also being situated in here.

Because the insurer is a legal person, as we have seen, from his point of view the insurance contract will always be a commercial activity. For him, the insurance is "a business", a legal activity carried on for profit. Having a principal or secondary establishment in Romania, he provides services (of insurance) to persons or companies, seeking to be rewarded in exchange. On the other hand, the insured seeks, through the insurance contract, the protection of values guaranteed by national and international acts (life, physical and mental integrity, liberty, property etc). From his perspective, the insurance is a way to avert the dangers, a dam against the risk. Therefore, in my opinion, the insurance contract has a dual aspect: civil (from the standpoint of the insured) and commercial (from the perspective of the insurer). The fact that it is included in the civil contracts, the fact that the insurance activity itself is perceived in a legal way as a service, and that the insurer is always a legal person leads me to reach this conclusion.

Why is this result important? Because having a commercial aspect, the insurance contract also has an economic one, strongly influencing the national economy. In the business environment from Romania, the insurance business holds a leading position along with online shops, car repair shops, beauty salons or drugs businesses. Perhaps the most important feature of insurance is the *monetary damage coverage* after occurrence of insured events. This feature contributed to the birth and development of insurance at a national (depending on the climate, landforms, age population or gross domestic product of each state) and international level. According to this feature, through the insurance activity, the restoration, for as far as possible, of the goods that were destroyed or suffered damage, the redressation of damage the insured persons are responsible for according to the law, and the cash rewarding after the occurrence of events that have affected the social values of individuals take place. The doctrine appreciated that because of this feature, "the insurance domain contributes to national economic development, to the expansion of foreign economic relations and tourism, but also to the country's economic and social progress achievement by maintaining the continuity of the production process, by protecting and defending the integrity of the public and private property."¹⁴ Another role of the insurance business is the *prevention of damage*, which can be achieved¹⁵ either through financial support for damage preventing activities (eg construction of buildings that are more resistant to earthquakes in an area of high seismic risk) or by inserting some clauses in the insurance contract which oblige the insured to behave carefully and preventively (in

¹¹ Stanciu D. Cărpenaru, *Tratat de drept comercial român*, Ed. Universul Juridic, Bucharest, 2009, p. 9.

¹² Published in M.Of. Nr. 409 din 10 june 2011.

¹³ Vasile Nemeş, *Drept comercial*, Ed. Hamangiu, Bucharest, 2012, p. 2.

¹⁴ Mihaela Galiceanu, Ion Galiceanu, *Asigurările agenţilor economici. Protecţie şi profitabilitate*, Ed. Tribuna Economică, Bucharest, 2007, p. 41.

¹⁵ See Irina Sferdian, *Dreptul asigurărilor*, Ed. C. H. Beck, Bucharest, 2007, p. 17.

the car insurance domain, the clause according to which after a traffic accident, a certain number of Malus points will be taken from the guilty and in the future, the insurance will become more expensive; on the other hand, a policyholder who did not cause any road incident will pay a smaller insurance premium price than the policyholder that caused damage). Finally, through *the financial feature*, the insurer has the option to invest the insurance fund¹⁶ in order to reduce, for as far as possible, the damage (the actions and measures to prevent, limit and control the damage are created and maintained), and also in order to reduce the psychological distance between the damage caused to the insured goods and the insured sums of money.

2. The relationship between the insurance domain and the business sphere

Just as business law has a greater portion than commercial law, including the branches of financial law, fiscal law, labour law and even constitutional law (when it comes to the state involvement in the economy), the insurance contract is perceived to be more than a civil commercial contract - it is a business in itself. Three arguments are to be specified in this regard:

a) the parties in this contract (the insurer, in particular) must show a good documentation and must act expeditiously; as a result, the contract terms must be drafted in a simple manner, in an understandable language and the obligations of the parties must be easily proven in the event of a court case appearance. By its nature, the insurance contract is consensual, but to be proven, the Civil Code states that the written form is required. Witness testimony is prohibited even when there is a beginning of written evidence, such as "other act than the contract, emanated from the contracting parties, regarding the insurance relations."¹⁷ Only if the insurance documents have disappeared by force majeure or unforeseeable circumstances and there isn't the possibility of obtaining a duplicate, their existence and content can be proven by any means [art. 2200 alin. (1) IIIrd thesis C.civ.];

b) the world of business, advertising is *a must have*, a necessity, because the general public, or better said the individuals must be informed, must receive the existence and naming of the merchant insurers (in the current situation), as well as their offerings, benefits, promotions. For this purpose, online, TV or radio advertising is being used a lot;

c) due to the increasing number of countries on an international standard and the boosting of relations (economical, political, *commercial*) between them, "increasingly more rules are common for as many countries in order to guarantee the security of transactions."¹⁸ In the insurance matter, a lot of uniform rules are also encountered, amongst I recall Directive 91/371 / EEC of 20 June 1991 on the application of the Agreement between the European Community and the Swiss Confederation on direct insurance, other than life insurance, Directive 2009/103 / EC of the European Parliament and of the Council of 16 September 2009 on the insurance of motor liability and enforcement of the obligation to insure against such liability or Directive 2002/92 / EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation.

In the Romanian economy market, the businessmen from the insurance sector aim for profit by providing services with other participants in the business. To achieve this objective, they will conduct more activities to ensure the availability of their services to the public and, with this - the continuity of their own business. At the same time, they must respect the customers who purchase their services, all of their activity being built on their back. They must always be in the interests of their customers, to serve them on the "Our customer - our master" principle. The relevant literature¹⁹ states that "the dynamism of business activity depends on the amount and timing of the

¹⁶ The Insurance Fund is a guarantee (in the insurance domain) which aims to protect policyholders if an insurance company declared insolvency and is no longer able to fulfill its obligations under the perfected insurance contract.

¹⁷ Flavius-Antoniou Baias, Eugen Chelaru, Rodica Constantinovici, Ioan Macovei, *Noul Cod civil. Comentariu pe articole*. Art. 1 - 2664, Ed. C.H.Beck, Bucharest, 2012, p. 2170.

¹⁸ Anca Ileana Dușcă, Ruxandra Burdescu, *Dreptul afacerilor*, Ed. Themis, Craiova, 2001, p. 5.

¹⁹ Anca Ileana Dușcă, Ruxandra Burdescu, *op. cit.*, p. 46.

mentioned operations, operations in which the trader must adopt a conduct that falls on the coordinates of the *freedom of trade* and *free competition* principles."

Freedom of trade regards *freedom of enterprise* (through exercising, businessmen "are committed to any commercial or industrial activity, either directly, or by purchasing or acquiring control over some pre-existing businesses"²⁰) and *freedom of exploitation* (a prerogative recognized to the trader, to lead and manage his company to its own pleasure, without any outside interference - of course, as long as it does not go beyond lawful).

Free competition is considering the rivalry between businessmen, unrestricted by monopoly organizations, state organizations etc., but supported by their own means.

The insurance domain is a business, and more than that: it can support a business. Lately, a progress in the Romanian insurance market has been registered, largely due to European influences. This progress is reflected by "the continuous rise of premium income and the significant changes in the specific legislative framework, as well as the active and positive role of the institution that pursues and regulates insurance activity"²¹ (namely, The Financial Surveillance Authority - F.S.A.). The dominant field is represented, hereinafter, by the general insurances²², followed by personal insurances, even if the latter have experienced a substantial growth.

The insurance contract is commonly used in business because operators are subject to numerous risks, and for the safety and future of their business, for this activity to have a life-span as long as possible, they must ensure all goods and persons representing "the engine" of their business and also the unexpected licit/illicit events. Why this? Firstly, because the headquarters of a business/company itself and everything related to it (buildings, equipment, facilities) is an important investment - in view of its existence, there have been allocated certain funds, representing a real financial, physically and mentally effort -, and secondly, because this place can always be a subject to the unpredictable, be it a natural phenomenon (fire, flood, earthquake) or an artificial one (theft, destruction etc).

Due to this, in Romania the insurance contract of small and medium businesses, known as SMEs (Small and Medium Enterprises), has been born. Through this contract, those legal persons whose business activity is that of production or trade, and who take into account the attraction of a more complete security for their business are sheltered. Although, in principle, the insurance contract is a contract of adhesion, in this case the small and medium businesses insurance can be customized to a certain extent, depending on each business and insurer. In order to remove rigidities in business domain, this particular contract has been adapted to the requirements of people, aiming the unwritten law of diversity.

On a Romanian insurer's website²³, this contract covers:

- insurance of buildings and other structures (rooms, outbuildings, garages etc);
- insurance of heating plants, fixed electrical systems, air conditioning systems;
- insurance of equipments, machinery, installations, fixed or inventory assets (in the latter category there can be found, for example, work equipments - computers, special clothing, protective equipment, etc.);
- insurance of furniture, office equipment, electronic and electro-technical apparatus;
- insurance of merchandise stocks and working capital goods, raw materials, finished goods or currently in execution;
- insurance of goods in transit;
- insuring of employees.

²⁰ R. Houin, M. Pedamon, *Droit commercial. Actes de commerce et commercants. Activite commerciale et concurrence*, Paris, 1980, p. 379.

²¹ Dan Anghel Constantinescu, *Tratat de asigurări*. Vol. I, Ed. Economică, Bucharest, 2004, p. 132.

²² According to Appendix. 1 of Law no. 237/2015, general insurance category includes health insurance, insurance of land, rail, air, sea, lake and river transport, liability insurance for these categories of vehicles, credit insurance, which covers insolvency, export credits, credits for installment sales, mortgages and agricultural insurance guarantees (direct and indirect), financial losses etc.

²³ Source: <https://www.groupama.ro/persoane-juridice/asigurari-complexe/asigurarea-afacerilor-mici-si-mijlocii>, last time accessed 19.10.2016.

The risks covered by this particular insurance are also diverse. The same website lists two categories of insured risks:

a) the ones regarding the goods:

- fire, explosion, falling of objects;
- collision by vehicles not belonging to the insured business;
- water installations, sewage or central heating damage;
- storm, lightning, floods, collapses or landslides, earthquakes, heavy snow;
- theft, vandalism, political risks;
- financial losses due to business interruption following a covered event;
- sudden and unforeseen damage or destruction, because of internal causes, to the machines

and production equipment;

- accidental damage or destruction of fixed or portable electronic equipment;
- destruction, loss or theft of goods, caused while in transit.

b) the ones regarding the employees:

- temporary inability to work (hospitalization, sickness, surgery);
- disablement due to accidents;
- death due to accidents.

Professor Dan Anghel Constantinescu also identifies the following types of insurance "for companies and organizations"²⁴: *commercial property insurance* (its activity may be interrupted due to a fire), *boilers and cauldrons insurance* (accidents caused by them can damage both the building where they are located and other buildings adjoining), *crime insurance* (there are taken under consideration both the crimes committed by their own employees and those committed by third parties), *aviation and maritime insurance* (because many organizations have the work of import and export of goods on the seas, oceans, but also by air) etc.

Of course, this type of insurance varies, as I said before, based on one's own business and especially on the insurer, but in generally it orbits these values and risks. It is used to protect these goods and categories of people (employees) against various kinds of risks.

The advantages of perfecting such a contract for one's own business are diverse:

- close relationship with the insurer is being created, which will support business development and results;
- the insured has a variety of insurance types to choose from, depending on his needs;
- the insured will receive quality services from the insurer;
- each insurer can offer advantageous discounts;
- depending on the terms of the contract and the possibility of negotiating, the insurance premiums can be paid either in full (complete) or half-yearly, or even quarterly.

Therefore, the importance of such a contract in supporting a business is undeniable. No matter how safe the man is, having the impression that no one and nothing can overcome him, our history proves otherwise. All the events that took place over time and are still displaying, are either unpredictable or calculated "from the shadow". Regardless of their way, the fact is that man must take steps in order to be affected in a smaller manner and, for this, the completion of a contract, apparently so simple, is a manifestation of the will that can be expressed by the phrase "I'm here and I know the way the world works."

3. Conclusion

Economically (in the insurance business), the contract (of insurance) is a planning tool which envisages the bringing to life, the transposition from paper to reality of future business's plans; it also serves to the materialization of economic relations between businessmen, regarding the products supply, work execution and service provision, "on the purpose of full accomplishment of the

²⁴ A se vedea Dan Anghel Constantinescu, *op. cit.*, p. 154 - 158.

obligations resulting from the national economic development plan²⁵. Ultimately, the contract replaces the needs of industry in general and of people, trying to create a harmony between these two poles and to stabilize them.

Although its definition is slightly oriented towards modernity by The Romanian Civil Code (on one hand, the term "agreement of wills" is used, because the fundamental nature of any contract is the agreement of the parties expressed with the intention of producing legal effects, and on the other hand, the verb "to change" is introduced, thus eliminating a gap in the Old civil Code which recognized only founding or extinguishing of legal relationships effects to the agreement will), the concept will remain the same, namely that agreement of wills between two or more people, given with the intent to produce legal effects (to create, modify, transmit or extinguish legal relations).

Given the market economy, the insurance sphere comprises a substantial part of it, with multiple development opportunities. Even if in our country, the first insurance company - "Home of Fire" - was founded merely in 1744, the concept of insurance has existed since the Middle Ages (XIVth century), when in Transylvania, mutual associations - or guilds appeared. In the interwar period, with the penetration of foreign capital in Romania, the insurance sector has experienced a significant increase, in 1930 over 40 insurance companies operating together. The communist period was characterized by the State's takeover of all these companies; the year 1952 saw the establishment of the State Insurance Administration - SIA, with Romanian capital, specialized in insurance, reinsurance and emergency commissariat operations. After 1989, when the communist regime was abolished, numerous private insurance companies arose, following the adoption of some laws (Law no. 47/1991, Law no. 136/1995 and Law no. 32/2000). At the moment of speaking, receiving European and even international influences (as a result of the accession of Romania to the European Union and signing of numerous international treaties) and adapting relatively easily to the needs of the population, or rather launching concepts to meet these needs, insurances will always be a dependable service. Even if the Romanian state's experience in this area is relatively new (in other states - Egypt, Italy, Greece - there have been insurance companies since Antiquity), the manifestation period was alert, turbulent, especially in the last century.

Besides the substantial task of the insurances - protection of property and people against various risks - they have other social - economic contributions such as: "contribution to GDP creation, participating as a bidder in the capital loan market, placing of resources in investments or into valuable documents market".²⁶ Therefore, insurances do not refer only to the insured persons, but they also take over the entire society.

Through the insurance business, both individuals and businesses (these two categories forming the insured party) benefit of a certain safety, a silence offered by the state's promise that it will support them when needed.

Of course, this public service that the state makes, it requires a contribution from these groups, whereby the value equalization is not intended by either party.

The State deals with the regulation of the insurance contract, the establishment and authorization of the insurers, licensing of the insurance staff, premium rate set, all these actions being undertaken in the service of all people on its territory. Because, as we always say, the territory is a constituent element of the State in which the population rests - all these individuals who, through the conclusion of legal relationships, enliven it, make it known, *animate it*.

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²⁵ Ion Dogaru, *Contractul. Considerații teoretice și practice*, Ed. Scrisul Românesc, Craiova, 1983, p. 14.

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