

# CONTINGENT CONTRACTS

## Definition of Contingent Contract:

According to section 31 of the Contract Act, 1872:

A "contingent contract" is a contract to do or not to do something, if some event, collateral to such contract, does or does not happen.

## Illustration

A contracts to pay B Taka 10,000 if B's house is burnt.  
This is a contingent contract.

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## Elements of contingent contract:

The elements of a contingent contract are mentioned as follows:

1. It is a contract;
2. It may be negative or positive, i.e to do or not to do;
3. It is depend on the future event and this event-
  - i) It is future uncertain event;
  - ii) The event must be collateral to such contract.

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## Enforcement of contracts contingent on **an event happening:**

According to section 32. Contingent contracts to do or not to do anything if an uncertain future event happens cannot be enforced by law unless and until that event has happened. If the event becomes impossible, such contracts become void.

### *Illustrations*

- (a) A makes a contract with B to buy B's horse if A survives C. This contract cannot be enforced by law unless and until C dies in A's lifetime.
- (b) A contracts to pay B a sum of money when B marries C. C dies without being married to B. The contract becomes void.

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## Enforcement of contracts contingent on an **event not happening:**

According to section 33. Contingent contracts to do or not to do anything if an uncertain future event does not happen can be enforced when the happening of that event becomes impossible, and not before.

### *Illustration*

A agrees to pay B a sum of money if a certain ship does not return. The ship is sunk. The contract can be enforced when the ship sinks.

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When event on which contract is contingent to be deemed impossible, if it is the future conduct of a living person:

34. If the future event on which a contract is contingent is the way in which a person will act at an unspecified time, the event shall be considered to become impossible when such person does anything which renders it impossible that he should so act within any definite time, or otherwise than under further contingencies.

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When contracts become void which are contingent on happening of specified event within fixed time:

According to section 35. Contingent contracts to do or not to do anything if a specified uncertain event happens within a fixed time become void if, at the expiration of the time fixed, such event has not happened, or if, before the time fixed, such event becomes impossible.



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## Agreement contingent on impossible events void:

According to section 36. Contingent agreements to do or not to do anything, if an impossible event happens, are void, whether the impossibility of the event is known or not to the parties to the agreement at the time when it is made.

## Illustrations

A agrees to pay B 1,000 Taka if B will marry A's daughter C. C was dead at the time of the agreement. The agreement is void.