

5                                   **THE REPUBLIC OF UGANDA**  
**IN THE HIGH COURT OF UGANDA HOLDEN AT GULU**  
**MISCELLANEOUS APPLICATION NO. 002 OF 2023**  
**(ARISING FROM CIVIL SUIT NO. 001 OF 2023)**

10   **SECURITY GROUP LIMITED ..... APPLICANT/DEFENDANT**

**VERSUS**

**GULU AGRICULTURAL DEVELOPMENT CO. LIMITED ..... PLAINTIFF**

**AND**

**UAP OLD MUTUAL INSURANCE**

15   **UGANDA LIMITED ..... RESPONDENT/THIRD PARTY**

**BEFORE: HON. MR. JUSTICE GEORGE OKELLO**

20                                   **RULING**

This is an application for Third Party Notice to issue to UAP Old Mutual Insurance (U) Ltd. The Application is brought by Security Group Ltd. It  
25   arises from Civil Suit No. 1/2023. That suit was lodged against the Security Group Ltd by Gulu Agricultural Development Co. Ltd. Therein, the Plaintiff sued the Security Group Ltd, seeking to recover sums of money for alleged breach of Contract. In the present application for Third Party Notice to issue under O.1 r.14 of Civil Procedure Rules (CPR), the  
30   Security Group avers that, it was insured against all risks under a Policy issued by the intended Third Party – UAP Old Mutual Insurance (U) Ltd; thus it seeks to have the Insurance Company on board, so that incase of any liability being found against the defendant Security Group, the third

5 party may make full indemnity. Although the learned Ms. Piloya holding brief for Mr. Stanley Kangye of K & K Advocates claims submission were lodged in this court, there is none on record, and no proof has been furnished by learned Counsel, yet the matter is for hearing.

10 Be that as it may, in an application of this nature, Court must be satisfied that there is a proper question to be tried as to liability of the third party. See: **Barclays Bank Vs. Tom [1923] IKB, at P.224, per Scrutton L.J.** The purpose of Third Party Notice under O.1 r.14 of the Civil Procedure Rules (CPR) is to get the third party bound by the decisions given between  
15 the Plaintiff and the defendant; to save the extra expense which would be involved by two separate independent actions. – see Barclays Bank Case (*supra*). In the case of **Sango Bay Estate Ltd & Others Vs. Dresdner Bank Ag. (No.2) (1971) 1EA 307 (CAK)**, it was held that the CPR limits third party procedures to cases where a Defendant claims to be entitled to  
20 remedy of indemnity. Thus, one of the objects of third party procedure is to prevent multiple actions. Thus Lord Esher, M.R observed in **Baxter Vs. France (No. 2) [1895] 1 Q.B 591**, at page 593 on the scope of the third party procedure in these terms.

25 *“the general scope of the third part procedure is to deal with cases where by applying it, all the disputes arising out of a transaction as between the Plaintiff and the defendant, and between the defendant and a third party, can be tried and settled in the same action”.*

In the present matter, having perused the Chamber Summons and the  
30 supporting affidavit, I note that there is an insurance Policy executed by the intended Third Party, and gross premium was paid by the Applicant Security Group Ltd. The Policy is dubbed “Guarding all risk Policy”.



5 Without delving into the finer details of the Policy between the Applicant  
and the Insurance Company, I am satisfied that the Applicant has proved  
that there is a question of indemnity to be decided as between the  
Applicant and the Insurance Company in the head suit. Accordingly, the  
Application is allowed with the Applicant bearing its own costs. Third  
10 Party Notice accordingly issues against UAP Old Mutual Insurance Uganda  
Limited and the Applicant shall comply with the service thereof, in  
accordance with the CPR. The Third Party shall upon service, lodge its  
Defence, in accordance with the provisions on filling Written Statement of  
Defence (WSD) as prescribed in O.8, and O.9 of the Civil Procedure Rules  
15 (CPR). It is so ordered.

Delivered and dated at Gulu this 09<sup>th</sup> day of April, 2024.

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**George Okello**  
**JUDGE**

Ruling delivered in Open Court

25 **09<sup>th</sup> April, 2024**

**In the presence of**

Ms. Piloya Dora Lillian, holding brief for Mr. Stanley Kangye for the  
Applicant.

Mr. Stephen Ochan, Court Clerk.

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**George Okello**  
**JUDGE**