**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 therefore the execution of the contract depends upon some contingency and it contains a conditional promise. Such as a contract of insurance.

**CHARACTERISTICS OF A CONTINGENT CONTRACT**

There are some essentials characteristics for becoming a contract contingent. Such as-

1. Its performance depends upon the happening or non happening in future of some event.
2. The event must be uncertain.
3. The certain future event must be collateral to the contract.

**Collateral event:**

A collateral event is such where neither a performance directly promised as part of the contract nor the whole of the consideration for a promise is made.

**Rules Regarding Contingent Contract**

Section 32-36 describes some rules regarding contingent contract.

1. Contracts contingent upon the happening of a future uncertain event cannot be enforced by law unless and until that event has happened. If the event becomes impossible, the contract becomes void (section 32).

**Example**-**A** makes a contract to buy 8’s house if a survives **C**. This contract can not be enforced by law unless and until **C** dies in **A**’s lifetime.

**A** contracts to pay 8 sum of money when 8 marriage **C**, **C** dies without being married to 8. The contract becomes void.

**b**. Contracts contingent upon the non-happening of an uncertain future event can be enforced when the happening of that event becomes impossible and not before **(section 33)**

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

**C.** If a contract is contingent upon how 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 **(section 34)**

**Example**-**A** agrees to pay **B** Tk 1000 if **B** marriage **C**. **C** marriage **D**. The marriage of **B** to **C** must now be considered impossible although it is possible that **D** may die and **C** may afterwards marry **B**.

**D** .Contracts contingent on the happening of an event within a fixed time become void if, at the expiration of the time, such event has not happened, or if, before the time fixed, such event becomes impossible **(section 35)**

**Example**-**A** promise to pay **B** a sum of money if a certain ship returns within a year. The contract may be enforced if the ship returns within the year, and becomes void if the ship is burnt war.

**E.** Contract contingent upon the non-happening of an event within a fixed time may be enforced by law when the time fixed has expired and such event has not happened or before the time fixed has expired, if it becomes certain that such event will not happen **(section 35)**

**Example- A** promises to pay **B** a sum of money if a certain ship does not return within the year. The contract may be enforced if the ship does not return within the year or is burnt within the year.

**F**. 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 known to the agreement at the time when it is made **(section 36)**

**Example**- **A** agrees to pay Tk. 1,000 to **B** if two straight lines should enclose a space. The agreement is void.

**Wagering Agreement**

An agreement by way of wager is void. No suit will lie for recovering anything alleged to be own on any wager or entrusted to any person to Abide by the results of any game or other uncertain even on which any wager is made **(section** **30).**

Wager means a bet. A wager may be defined as an agreement to pay money or money worth on the happening of a specified uncertain event. It is a game of chance in which the change of either winning or losing is wholly dependent on an certain event.

The parties to a wagering contract must agree that upon the determination of the said uncertain event, one should win from the other. Each party stands equally to win or lose the bet. The chance of gain or the risk of loss is not one sided. If either of the parties may win but not lose, or may lose but cannot win, it is not a wagering contract is that neither of the parties should have any interest in the contract other than the sum which he will win or lose.

**Distinction between Contingent and Wagering Agreement**

The distinction between contingent contract and wagering agreement are discussed below-

1. A contingent contract is a valid contract but a wagering agreement is absolutely void.
2. In a contingent contract the future uncertain event is merely collateral whereas in a wagering agreement the uncertain event is the sole determining factor of the agreement.
3. In a contingent contract the parties have real interest in the occurrence or non-occurrence of the event. e.g. insurable interest in the property insured, but in a wager the parties are not interested in the occur4ence of the event except for the wining or losing the bet amount.