



SUBROGATION

WHAT IS SUBROGATION?

- **Subrogation** in insurance is the substitution of the insurer as a claimant for a loss suffered by the insured. Thus, the right to sue for the losses sustained by the insured is transferred to the insurance company, which can seek reimbursement for the payment to the insured from the party who caused the loss.
- Subrogation prevents a guilty party from being absolved of their negligence simply because the victim has insurance—the guilty party still must pay for the loss that they caused.