



# Law of Property Act 1925

1925 CHAPTER 20 15 and 16 Geo 5

## PART III

MORTGAGES, RENTCHARGES, AND POWERS OF ATTORNEY

### *Mortgages*

#### **108 Amount and application of insurance money.**

- (1) The amount of an insurance effected by a mortgagee against loss or damage by fire under the power in that behalf conferred by this Act shall not exceed the amount specified in the mortgage deed, or, if no amount is therein specified, two third parts of the amount that would be required, in case of total destruction, to restore the property insured.
- (2) An insurance shall not, under the power conferred by this Act, be effected by a mortgagee in any of the following cases (namely):
  - (i) Where there is a declaration in the mortgage deed that no insurance is required:
  - (ii) Where an insurance is kept up by or on behalf of the mortgagor in accordance with the mortgage deed:
  - (iii) Where the mortgage deed contains no stipulation respecting insurance, and an insurance is kept up by or on behalf of the mortgagor with the consent of the mortgagee to the amount to which the mortgagee is by this Act authorised to insure.
- (3) All money received on an insurance of mortgaged property against loss or damage by fire or otherwise effected under this Act, or any enactment replaced by this Act, or on an insurance for the maintenance of which the mortgagor is liable under the mortgage deed, shall, if the mortgagee so requires, be applied by the mortgagor in making good the loss or damage in respect of which the money is received.
- (4) Without prejudice to any obligation to the contrary imposed by law, or by special contract, a mortgagee may require that all money received on an insurance of mortgaged property against loss or damage by fire or otherwise effected under this

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**Changes to legislation:** Law of Property Act 1925, Section 108 is up to date with all changes known to be in force on or before 14 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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Act, or any enactment replaced by this Act, or on an insurance for the maintenance of which the mortgagor is liable under the mortgage deed, be applied in or towards the discharge of the mortgage money.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act applied by [2023 asc 3 s. 146\(5\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 52(2)(dc)(dd) inserted by [2016 c. 22 Sch. 7 para. 1\(2\)](#)