- Protect consumers by defining and outlining rights and duties of insurer / insured.
- Approved by the Superintendent of Insurance (Insurance Act).
- Included in all fire insurance contracts.

1) Misrepresentation
   At the time of application:
   a) False description of property.
   b) Non-disclosure.
   c) Fraudulent omission.

   **Insurer** must prove:
   1) Material fact.
   2) Insured’s intent.

2) Property of Others
   Not included unless stated in the contract (Bailee).

3) Change of Interest
   Insurer covers new interest replacing insured’s automatically if:
   a) assignment under the Bankruptcy Act.
   b) change of title through succession, operation of law, death of the named insured.

4) Material Change
   After policy takes effect:
   **Insured** Notify insurer promptly.
   **Insurer** May re-rate or cancel policy.

5) Termination
   **Insurer**
   a) 15 days reg. mail / 5 days personal.
   b) Pro rata refund.

   **Insured**
   a) Any time, preferably written.
   b) Short rate refund.

6) Requirements After Loss
   **Insured** must provide insurer with:
   a) Written notice of loss to insurer.
   b) Completed Proof of Loss (Statutory Declaration) stating:
      i) Inventory > damaged/lost property.
      ii) How loss occurred.
      iii) Insured did not cause the loss.
      iv) Other insurance/insurers.
      v) Insurable interest(s) - Mortgagee.
      vi) Changes since issue - Address.
      vii) Location of property at time of loss.
   c) Details of undamaged property - Inventory/Values.
   d) Accounting or inventory records - Invoices/Receipts (Waiver - Commercial).

7) Fraud
   a) False statement by insured in claim.
   c) **Insurer** must prove insured’s intent.
   b) Right to recovery is forfeited.

8) Who May Give Notice and Proof
   Agent or mortgagee (Bank) if insured incapacitated.
9) **Salvage**  
    Insurer owns damaged property after settling with insured.
    
    **Insured**  
    Must take reasonable steps (Removal) to prevent further loss/damage.
    
    **Insurer**  
    Contributes pro-rata to the cost of doing so.

10) **Entry, Control, Abandonment**  
    **Insurer**  
    Can enter premises to appraise/investigate.
    
    **Insured**  
    Cannot abandon property to insurer.

11) **Appraisal**  
    Disagreements over values (X Coverage) arbitrated under Insurance Act.

12) **When Loss Payable**  
    60 days after Proof of Loss completed unless written agreement.

13) **Replacement**  
    **Insurer** can repair, rebuild or replace property instead of paying cash:
    
    1) Written notification < 30 days of Proof of Loss.
    2) Work must start < 45 days of Proof of Loss.
    3) Restoration to original specs.

14) **Action**  
    Against insurer must be taken within 1 year (2 Years – MAN/YT) after the date loss or damage occurs.

15) **Notice**  
    **Insurer**  
    Chief agency or head office.
    
    **Insured**  
    Last address on file.