

## Late Notice of claim and internal communications within the Insurance company

By Dominique Vézina

The Court of Appeal in the case of *Compagnie d'assurance Continental v. Laboratoires Bio-Recherches Ltée* (500-09-004597-977, February 16, 2001) has confirmed the validity of a Notice of claim sent, at the earliest 52 days or at the latest 5 months after knowledge of the loss, on the grounds that even under the Civil Code of Lower Canada, the insurer had to allege and prove the prejudice.

It is interesting to note that a notice had been sent by the broker to the underwriting department at the Toronto head office on May 30, 1991 and that the insurer (Claims Department) cannot complain that it received the notice only on July 11, 1991. Justice



Robert writes:

**"In actual fact, it is because one of the departments at the Continental's head office in Toronto neglected to direct the information received to the proper person that the claims department was slow to react. This does not mean however that the insurer was not notified."**

Insurers would be well advised to give adequate internal instructions to avoid such situations.

Dominique Vézina



LAVERY, DE BILLY

BARRISTERS AND SOLICITORS



Dominique Vézina has been a member of the Bar of Québec since 1988 and specializes in insurance law.

**You can contact any of the following members of the General and Damage Insurance group in relation with this bulletin.**

**At our Montréal Office**

- Edouard Baudry
- Anne Bélanger
- Jean Bélanger
- Marie-Claude Cantin
- Michel Caron
- Paul Cartier
- Isabelle Casavant
- Jean-Pierre Casavant
- Louise Cérat
- Louis Charette
- Julie Cousineau
- Daniel Alain Dagenais
- François Duprat
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- Jean Hébert
- Odette Jobin-Laberge
- Bernard Larocque
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- Jacques Nols
- J. Vincent O'Donnell
- Janet Oh
- Dina Raphaël
- André René
- Ian Rose
- Jean Saint-Onge
- Évelyne Verrier
- Dominique Vézina
- Richard Wagner

**At our Québec City Office**

- Pierre Cantin
- Philippe Cantin
- Pierre F. Carter
- Pierre Gourdeau
- Claude M. Jarry
- Claude Larose
- Jean-François Pichette
- Marie-Elaine Racine

**At our Laval Office**

- Brian Elkin
- Patricia Lawson
- Alexandra LeBlanc

**Montréal**

Suite 4000  
1 Place Ville Marie  
Montréal, Quebec  
H3B 4M4

Telephone:  
(514) 871-1522  
Fax:  
(514) 871-8977

**Québec City**

Suite 500  
925 chemin Saint-Louis  
Québec, Quebec  
G1S 1C1

Telephone:  
(418) 688-5000  
Fax:  
(418) 688-3458

**Laval**

Suite 500  
3080 boul. Le Carrefour  
Laval, Quebec  
H7T 2R5

Telephone:  
(450) 978-8100  
Fax:  
(450) 978-8111

**Ottawa**

Suite 1810  
360, Albert Street  
Ottawa, Ontario  
K1R 7X7

Telephone:  
(613) 594-4936  
Fax:  
(613) 594-8783

**Web Site**

[www.laverydebilly.com](http://www.laverydebilly.com)

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