
NOTICE NUMBER: 02-2018

**TITLE: WOOD BUFFALO WILDFIRE: STATUTORY LIMITATION
ON PROPERTY INSURANCE CLAIMS**

DATE: March 29, 2018

PURPOSE:

The purpose of this Notice is to advise property insurers and their insureds of my expectations in respect to voluntary extensions of the two-year statutory limitation prescribed in Section 526 of the *Insurance Act* (Act), as it relates to the Wood Buffalo wildfire that occurred in May 2016.

A catastrophic event like the 2016 wildfire can result in a large number of serious losses that, because of the catastrophic circumstances, take longer to resolve. In such cases, I expect that insurance companies will have in place a process to review requests for extensions of the statutory limitation on a case-by-case basis.

THE STATUTORY LIMITATION

Insurers are expected to have claim handling processes in place that facilitate a timely resolution of claims, and the majority of catastrophic property insurance claims are expected to settle before the statutory limitation expires.

The Act sets out the applicable timelines for commencement of a legal action against an insurer. In the case of property insurance claims, this is two years from the date the insured person knew or ought to have known the loss or damage occurred.

Limitation of actions

526(1) An action or proceeding against an insurer under a contract must be commenced

(a) in the case of loss or damage to insured property, not later than 2 years after the date the insured knew or ought to have known that the loss or damage occurred, and

(b) in any other case, not later than 2 years after the date that the cause of action against the insurer arose.

(2) This section does not apply to contracts of automobile insurance and hail insurance.

Superintendent of Insurance

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The Fair Practices Regulation requires insurers to notify insureds in writing about the statutory limitation.

EXTENDING THE STATUTORY LIMITATION PERIOD IN CATASTROPHIC EVENTS

It is my expectation that insurers consider all submissions for extensions in good faith, taking into account the individual circumstances, as well as the scope of the catastrophic event.

Voluntary extensions provided by the insurer should be in writing.

WHAT INSUREDS CAN DO

If your claim is still open, and the statutory limitation date is approaching, speak with your insurance representative about an extension. If your insurer provides an extension to the two-year limitation period, ensure the extension is provided in writing.

If the insurer is unwilling to grant an extension, you can use the company's complaint resolution process to request that the insurer reconsider its position. Additional information about this process is found on our [website](#).

If the complaint resolution process results in no change to the insurer's position, you should seek legal advice about complying with the statutory limitation.

If you wish to dispute your claim, you must commence a legal action before the statutory limitation date, unless your insurer provides an extension. You should not allow the limitation date to pass without an extension agreement in writing from the insurer, or without a registered court action.

If you have any questions about this Notice please contact my office by telephone at (780) 643-2237, or by email at tbf.insurance@gov.ab.ca.

[ORIGINAL SIGNED]

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