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A decision “of interest” from the Court of Appeal of Québec

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The notion of insurable interest is fundamental to insurance law as it is at the very heart of the validity of this contract. The lack of insurable interest leads to the nullity of the insurance policy and justifies the insurer’s refusal to indemnify its insured.

In a decision rendered on March 2, 2012, the Court of Appeal upheld a judgment of the Superior Court, where an insurer refused to indemnify the insured, raising its lack of interest in the property. The Court held that a debtor had sufficient interest to insure the property subject to an instalment sales contract.

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