

877 1001.—The insurer is bound to pay compensation for :

- 1) The actual amount of the loss ;
- 2) The damage caused to the insured property by reasonable measures taken for preventing the loss ;
- 3) All reasonable expenses incurred for preserving the insured property from the loss.

The actual amount of the loss shall be valued at the place where, and at the time when, the loss occurred. The sum insured is presumed to be a correct basis for such valuation.

The compensation cannot exceed the sum insured.

878 1002.—The expenses of valuation of the loss must be borne by the insurer.

879 1003.—The insurer is not liable if the loss or other event specified in the contract is caused by the bad faith or the gross negligence of the assured or the beneficiary.

880 1004.—If the loss is caused by the fault of a third person, the insurer who pays compensation is subrogated, up to the amount paid by him, to the rights of the assured and of the beneficiary against such third person

If the insurer has paid part only of the compensation, he cannot exercise his right to the prejudice of the right of the assured or of the beneficiary to claim from the third person for the remainder of the loss.

881 1005.—If the contract of insurance provides that, the happening of the loss, the assured or the beneficiary is bound to inform the insurer within a certain period of time, no such notice is necessary if the insurer knew otherwise within that period of the happening of the loss.