

RENTED RESIDENTIAL BROAD FORM

AGREEMENT

In return for payment of the premium, “we” provide insurance to indemnify “you” from loss by sudden and unexpected occurrences as described and limited in the Insured Perils section of this policy and subject to the terms, limitations and conditions set out in the policy. Failure to comply with any term or condition may result in the denial of a claim under this policy.

DEFINITIONS

“**Business**” means any full time or part time pursuit undertaken for financial gain including a trade, profession or occupation.

“**Data**” means representations of information or concepts, in any form.

“**Data Problem**” means:

- (i) erasure, destruction, corruption, misappropriation or misinterpretation of “Data”;
- (ii) error in creating, amending, entering, deleting or using “Data”; or
- (iii) inability to receive, transmit or use “Data”; or
- (iv) damage to electronic data processing equipment or other related component system, process or device.

“**Domestic Fuel Tank**” means a permanently installed, above-ground “domestic fuel tank(s)” that is part of a heating unit for the insured “dwelling” or for the insured detached private structure(s). The “domestic fuel tank” includes equipment, apparatus or piping which forms part of the permanent “domestic fuel tank” installation. A permanently installed “domestic fuel tank(s)” located in the basement of an insured “dwelling” or an insured detached private structure(s) is to be deemed to be above-ground.

“**Domestic Water Container**” means a device or apparatus for personal use on the “premises” for containing, heating, chilling, or dispensing “water”.

“**Dwelling**” means the building described on the Declaration Page occupied as a private residence.

“**Farm**” means an area of land and buildings for the growing of crops and/or raising of animals.

“**Flood**” includes, but is not limited to waves, tides, tidal waves, tsunamis, storm surge, or seiche, the overflow of any body of “water”, whether natural or man-made, breakage or overflow of man-made dikes, “flood” walls, levees or similar “water” control measures.

“**Fungi**” includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic, or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any “Fungi” or “Spores” or resultant mycotoxins, allergens or pathogens.

“**Ground water**” means “water” in the soil beneath the surface of the ground, including but not limited to “water” in wells and in underground streams, and percolating “waters”.

“**Ice Damming**” means when melted snow refreezes, forming a dam that can trap “water” under shingles or other roof finishing layers causing leaks through roof deck joints and nail holes.

“**Leakage**” means the accidental entry, escape or release of “water” or other fluid through a gap, flaw or other opening.

“**Premises**” means the “dwelling” and the land contained within the lot lines on which the “dwelling” is located.

“**Pollutant(s)**” means any solid, liquid, gaseous or thermal irritant or contaminant, including vapour, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. “Pollutant(s)” do not mean fuel oil that is contained in a fixed fuel tank, apparatus or pipes used to heat the “dwelling”.

“**Seepage**” means the slow movement or oozing of “water” or other fluid through small openings, cracks or pores.

“Specified Perils” means, subject to the exclusions and conditions in this policy;

1. fire;
2. lightning;
3. explosion;
4. smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the “premises”;
5. falling object which strikes the exterior of the “dwelling” or building;
6. impact by aircraft or land vehicle;
7. riot;
8. vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
9. “water” escape meaning:
 - (a) the sudden and accidental escape of “water” from within a “water main”, swimming pool or equipment attached;
 - (b) the sudden and accidental escape of “water” or steam from within a heating, sprinkler, air conditioning or plumbing system, or a “domestic water container” which is located inside “your” “dwelling”;
 - (c) “water” which enters through an opening which has been created suddenly and accidentally by an insured peril;
10. windstorm or hail;
11. transportation meaning loss or damage caused by collision, upset, overturns, derailment, stranding or sinking of any automobile or attached trailer in which the insured property is being carried. This would also apply to any vehicle of a common carrier, but does not include loss or damage to property in a vacation or home trailer which is owned by “you”.

“Spore(s)” includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any “fungi”.

“Surface waters” means “water” or natural precipitation temporarily diffused over the surface of the ground not caused by “flood” or escape of water from a “domestic water container” or “watermain”.

“Terrorism” means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force committed by or on behalf of any group(s), organization(s) or government(s), for the purpose of influencing any Government and/or instilling fear in the public or a section of the public.

“Under Construction” means construction from the foundation, or any alterations or repairs to the “dwelling” which result in the piercing of an exterior wall or the roof for more than 24 hours, or which necessitates “your” temporary relocation.

“Vacant” refers to the circumstance where, regardless of the presence of furnishings:

- all occupants have moved out with no intention of returning to reside continuously in the “dwelling” and no new occupant has taken up residence; or
- in the case of a newly constructed or acquired “dwelling”, no occupant has yet taken up residence.

“Water” means the chemical element defined as H₂O in any of its three natural states, liquid, solid and gaseous.

“Water main” means a pipe forming part of a public “water” distribution system, which conveys consumable “water” but not wastewater.

“We” or **“us”** or **“our”** means the Company or Insurer providing this insurance.

“You” or **“your”** means the person(s) named as Insured on the “Declaration Page” and, while living in the same household, his or her “spouse”, the relatives of either or any person under the age of 21 in their care. This also includes any “student” insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university.

Only the person named on the “Declaration Page” may take legal action against “us”.

COVERAGES

The amounts of insurance are shown on the "Declaration Page" for the coverages "you" have purchased. These amounts include the cost of removal of debris of the property insured by this policy as a result of an Insured Peril. When the damage to the property plus the cost of cleaning and removal of debris exceed the limit of insurance for the damaged property, an additional 5% of the limit of insurance on the damaged Building(s) will be available to cover debris removal expenses.

If "you" must remove insured property from "your" "premises" to protect it from loss or damage, it is insured by this policy for 30 days or until "your" policy term ends - whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all property at the time of loss.

COVERAGE A - DWELLING BUILDING

"We" insure:

1. The "dwelling" and attached structures.
2. Permanently installed outdoor equipment on the "premises".
3. Outdoor swimming pool and attached equipment on the "premises".
4. Materials and supplies located on or adjacent to the "premises" intended for use in construction, alteration or repair of "your" "dwelling" or private structures on the "premises". "We" insure against the peril of theft only when "your" "dwelling" is completed and ready to be occupied.

Building Fixtures and Fittings: "You" may apply up to 10% of the amount of insurance on "your" "dwelling" to insure building fixtures and fittings temporarily removed from the "premises" for repair or seasonal storage.

Tear out: If any walls, ceilings or other parts of insured buildings or structures must be torn apart before "water" damage from a plumbing, heating, air conditioning or sprinkler system or "domestic water container" can be repaired "we" will pay the cost of such repairs.

The cost of tearing out and replacing property to repair damage related to public "water mains" or outdoor plumbing systems is not insured.

COVERAGE B - DETACHED PRIVATE STRUCTURES

"We" insure structures or buildings separated from the "dwelling" by a clear space, on "your" "premises" but not insured under Coverage A. If they are connected to the "dwelling" by a fence, utility line or similar connection only, they are considered to be detached private structures. Owned docks and boathouses on the shoreline of "your" "premises" are also included in this section of coverage.

Property Not Included as Detached Private Structures

This coverage does not apply to any building or structure that is or was designed for agricultural purposes or is or was used in whole or in part for farming or any other commercial or "business" purposes (other than rental to residential tenants), whether it is in use, unoccupied, or "vacant".

COVERAGE C – LANDLORD’S PROPERTY

"We" insure "your" large appliances, lawn and garden tractors up to 22kW (30 HP), other gardening equipment or snow blowers and property which is usual to the ownership or maintenance of a "dwelling" for the amount of \$5000 or as otherwise stated on the "Declaration Page" while on "your" "premises".

ADDITIONAL COVERAGES:

1. **Lawns, Outdoor Trees, Shrubs and Plants:** "you" may apply up to 5% of the amount of insurance on "your" "dwelling" to lawns, trees, shrubs and plants owned by "you" on "your" "premises". "We" will not pay more than \$500 for any one tree, shrub or plant, including debris removal expenses.
"We" insure these items against loss caused by fire, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism and malicious acts, as described under Insured Perils.
"We" do not insure items grown for commercial purposes.

2. **Fire Department Charges:** "We" will reimburse "you" for up to \$5,000 per occurrence if "you" are legally obligated to pay "your" municipal fire department resulting from charges incurred for attending "your" "premises" to save or protect insured property from loss or damage, or further loss or damage, due to an insured peril. This coverage is not subject to a deductible.

INSURED PERILS:

"We" insure "your" "dwelling", detached private structures and landlord's property against all risks of direct physical loss or damage, subject to the exclusions, limitations and conditions of this form.

EXCLUSIONS

Property Excluded:

"We" do not insure loss of or damage to:

1. "your" insured "dwelling", when it has to "your" knowledge, been "vacant" for more than 30 consecutive days;
2. buildings or structures used in whole or in part or designed for farming, commercial or "business" purposes unless declared on the "Declaration Page";
3. "dwellings" or detached private structures while being moved or transported;
4. any property illegally acquired or kept;
5. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
6. property because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
7. lawns, outdoor trees, shrubs or plants except as provided under Additional Coverages of this policy;
8. property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
9. retaining walls not constituting part of any insured building, except for Fire, Lightning, Impact by Land Vehicle or Aircraft or Vandalism and Malicious Acts;
10. buildings, units or structures designed for agricultural purposes or used in whole or in part for farming or any other commercial or "business" purposes unless declared on the "Declaration Page";
11. buildings and/or structures, and their contents, used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from, or containing, marijuana or any other substance falling within the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;
12. property of tenants, members of the tenant's household or employees of the tenant;
13. livestock.

Perils Excluded:

"We" do not insure against loss or damage resulting from, contributed to or caused directly or indirectly:

1. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
3. by or resulting from contamination or pollution or the release, discharge or dispersal of contaminants or "pollutant(s)", except damage to the "dwelling" caused by the sudden and accidental escape of fuel from a permanently installed "domestic fuel tank" (including any attached equipment, apparatus or piping) that is part of a heating unit for the insured "dwelling" or detached private structure or as provided under Additional Coverages of this policy;
4. by wear, tear, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, "fungi" or "spore(s)", or contamination;
5. by scratching or marring of any property or breakage of any fragile or brittle articles unless caused by a "Specified Peril", impact by watercraft or aircraft, or theft or attempted theft;
6. by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects, bats or household pets, except loss damage to building glass;
7. because of increased costs of repair or replacement due to operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
8. or resulting from any intentional or criminal act or failure to act by:
 - (a) "you" or any person insured by this policy; or
 - (b) any other person at the direction of any person insured by this policy; or
 - (c) "your" employees or anyone to whom the damaged or lost property was entrusted.
 1. This exclusion applies only to the claim of a person:

- i) whose act or omission caused the insured loss or damage;
 - ii) who abetted or colluded in the act or omission;
 - iii) who consented to the act or omission and knew or ought to have known that the act or omission would cause the insured loss or damage; or
 - iv) who is in a class prescribed by regulation.
2. An insured person to whom this exclusion does not apply:
- i) must co-operate with "us" in respect of the investigation of the loss or damage, including without limitation
 - by submitting to an examination under oath, if requested by "us";
 - by producing for examination at a reasonable time and place designated by "us", documents specified by "us" that relate to the loss or damage; and
 - by permitting extracts and copies of such documents to be made, all at a reasonable time and place designated by "us".
 - ii) cannot recover more than their proportionate interest in the lost or damaged property.
9. or due to the cost involved to correct faulty material, workmanship, or design;
10. by settling, expansion, contraction, moving, bulging, buckling, or cracking except resulting damage to building glass;
11. by smoke from agricultural smudging or industrial operations;
12. by buildup of smoke. Smoke damage must be sudden and accidental;
13. by any earth movement including, but not limited to, earthquake, landslide, snow slide, ice slide. If any of these results in fire or explosion, "we" will pay only for the resulting loss or damage;
14. by collapse of:
- (a) outside property such as awnings, fences, or trellises unless resulting from structural collapse of foundations, walls, floors or roof of a building;
 - (b) patios, driveways, walks or retaining walls, outdoor radio and/or television antennae, towers, satellite receivers and their attachments;
15. by "water" unless the loss or damage directly resulted from:
- (a) the sudden and accidental escape of "water" from within a "water main";
 - (b) the sudden and accidental escape of "water" or steam from within a heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" which is located inside "your" "dwelling";
 - (c) The sudden and accidental escape of water from an outdoor plumbing system, or "domestic water container", which is located outside "your" "dwelling", and on "your" "premises";
 - (d) "water" which enters through an opening which has been created suddenly and accidentally by a peril not otherwise excluded;
 - (e) "water" from the accumulation of ice or snow on the roof or eavestrough, which enters the "dwelling" through the roof as a result of "ice damming";
- But "we" do not cover loss or damage:
- i) caused by continuous or repeated "seepage" or "leakage" of "water";
 - ii) caused by "flood"; this exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
 - iii) caused by backing up or escape of "water" from a sewer or drain, sump or septic tank;
 - iv) caused by "ground water" or rising of the water table;
 - v) caused by "surface waters", unless the "water" escapes from a "water main" or "domestic water container" located outside "your" "dwelling";
 - vi) to "water mains", heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" from which the "water" escaped;
 - vii) to outdoor plumbing systems, "domestic water containers" and attached equipment located outside "your" "dwelling", and on "your" "premises" caused by freezing, "water", or rupture;
 - viii) occurring while the "dwelling" is "under construction" or "vacant", even if permission for construction or vacancy has been given by "us";
 - ix) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or "domestic water container" unless it happens within a "dwelling" heated during the usual heating season and "you" have not been away from "your" "premises" for more than 4 consecutive days. However, if "you" had arranged for a competent person to enter "your" "dwelling" daily to ensure that heating was being maintained or if "you" had shut off the "water" supply and had drained all the pipes and appliances "you" would still be insured;
 - x) caused by freezing in an unheated portion of the "dwelling";
29. by change of temperature unless the loss or damage:

30. due to vandalism or malicious acts caused by “you” or any members of “your” household, or “your” employees, or by any tenant, employee or member of the tenant’s household;
31. by vandalism or malicious acts or theft or glass breakage occurring while “your” “dwelling” is “under construction” or “vacant” even if permission for construction or vacancy has been given by “us”;
32. by theft or attempted theft by any tenant, members of a tenant’s household or employees of the tenant;
33. mysterious disappearance.
34. Caused directly or indirectly, in whole or in part, by “Terrorism” or by any activity or decision of a government agency or other entity to prevent, respond to or terminate “Terrorism”. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

Data Exclusion

This policy does not insure:

- (a) “data”;
 - (b) loss or damage resulting from, contributed to or caused directly or indirectly by “Data Problem”.
- However, if loss or damage caused by “Data Problem” results in the occurrence of further loss or damage to property insured that is directly caused by “Specified Perils” as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

BASIS OF CLAIM PAYMENT

When coverage applies, “we” will pay for insured loss or damage up to “your” financial interest in the property but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence. Any loss or damage shall not reduce the amounts of insurance provided by this policy.

If “you” qualify for a tax credit, the loss payment will be reduced by that amount.

Deductible: In any one occurrence, “we” are responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the Declaration Page. If one occurrence could lead to the application of more than one deductible, only the largest deductible will apply.

Building and Detached Private Structures: If “you” repair or replace the damaged or destroyed building on the same location with materials of similar quality within a reasonable amount of time after the damage, “you” may choose as the basis of loss settlement either **(A)** or **(B)** below; otherwise, settlement will be as in **(B)**.

- A.** The cost of repairs or replacement (whichever is less) without deduction for depreciation, in which case “we” will pay in the proportion that the applicable amount of insurance bears to 80% of the replacement cost of the damaged building at the date of damage, but not exceeding the actual cost incurred.
- B.** The “Actual Cash Value” of the damage at the date of the occurrence.

Landlord’s Property: “We” agree to pay any loss insured for Landlord’s Property on the basis of “replacement cost” provided that:

- (a) the property, at the time of loss, was useable for its original purpose and is not obsolete;
- (b) “you” have repaired or replaced the property promptly;

Otherwise the basis of claim payment will be the “Actual Cash Value” of the damage on the date of the occurrence.

“Actual Cash Value” will consider the cost to repair or replace the lost or damaged property, whichever is less, with new materials of similar kind, quality, and usefulness, but with proper deduction for depreciation.

In determining the proper deduction for depreciation, “we” will consider:

- The condition of the property immediately before the loss or damage;
- The use of the property and its obsolescence;
- Its resale value; and
- Its normal life expectancy.

“Replacement Cost” means the cost, at the time of loss, of repairs or replacement (whichever is lower), with new property of similar kind and quality and usefulness, without deduction for depreciation.

Loss of items such as fine arts, antiques, paintings and articles which, by their inherent nature, cannot be replaced with a comparable article will not be settled on a “Replacement Cost” basis.

If the loss or damage is not replaced or repaired within a reasonable time, "we" will pay the "Actual Cash Value" of the loss or damage at the date of the occurrence.

Insurance Under More Than One Policy: If "you" have insurance on specifically described property, "our" policy will be considered excess insurance and "we" will not pay any loss or claim until the amount of such other insurance is used up. In all other cases, "our" policy will pay its ratable proportion of an insured loss.

ADDITIONAL CONDITIONS

1. **NOTICE TO AUTHORITIES.** Where the loss is due to a malicious act, burglary, robbery, theft or attempt thereat, or is suspected to be so due, "you" must notify the police or other authority immediately.
2. **NO BENEFIT TO BAILEE.** "We" will not recognize any assignment or provide any coverage for the benefit of any bailee, which includes any person or organization holding, storing, or transporting property for a fee regardless of any other provision of this policy.
3. **PAIR AND SET.** In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, we will pay only a reasonable and fair proportion of the total value of the set, and such loss or damage will not be understood to mean total loss of the set.
4. **PARTS.** In the case of loss of or damage to any part of the insured property whether scheduled or unscheduled, consisting, when complete for use, of several parts, "we" will not pay for more than the insured value of the part lost or damaged, including the cost of installation.
5. **YOUR DUTY AFTER LOSS.** It is "your" duty in the event that any property insured by this policy is lost to take all reasonable steps to recover such property. We will contribute pro rata towards any reasonable and proper expenses in connection with such efforts according to the respective interests of the parties.
6. **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US.** "your" rights to recover any part of "your" loss, for which "we" have made or agreed to make payment under this policy, are transferred to "us". "You" must not impair those rights and must help "us" enforce them. When the net amount recovered after deducting the costs of recovery is not enough to provide a complete indemnity for the loss or damage suffered, that amount will be divided between "you" and "us" in the proportion in which the loss or damage has been borne by "you" and "us".
7. **REBUILDING CLAUSE.** If the Declaration Page shows that the Rebuilding Clause applies, to the building(s) specified on the Declaration Page, this clause applies to those specified buildings.
In the event an insured peril damages or destroys any of the buildings to which this rebuilding clause applies, "you" must complete and submit a 'Proof of Loss' form to "us". Upon receipt of the Proof of Loss form, we will make a first payment of only 50% of the amount of loss payable on the damaged or destroyed building(s). The amount of loss payable will be the lesser of a) the actual amount of the damage; or b) the limit of insurance applicable to the damaged or destroyed buildings. The balance of the amount of loss payable is subject to the following:
 - a. If "you" notify "us" of "your" intention to repair, rebuild or replace the damaged building(s) within 300 feet (90 meters) of its original site on lands "you" own at the time of the loss with a building(s) of like use and "you" provide "us" with satisfactory proof within 12 months of the date of loss, that "you" spent an amount not less than the total amount of all insurance payable in doing so, "we" will pay the balance of the amount of loss payable under this policy within 30 days.
 - b. If "you" notify "us" of "your" intention to rebuild or replace any building(s) which have been damaged or destroyed with a building(s) of like use on lands "you" own at the time of the loss within the Province of New Brunswick but at a distance of more than 300 feet from the site of the damaged or destroyed building(s) sought to be replaced, and provide "us" with satisfactory proof within 12 months of the date of loss that "you" spent an amount not less than the total amount of all insurance payable, in doing so, "we" will pay "you" the balance of funds within 30 days up to 75% of the amount of loss payable under this policy.
 - c. If due to any regulation or law applying to construction or repair "you" are prohibited from repairing or rebuilding the damaged building(s) on the same site, and notify "us" of "your" intention to rebuild or replace the destroyed building(s) with a building(s) of like use on land "you" own on other than the same site within the Province of New Brunswick and "you" provide "us" with satisfactory proof within 12 months of the date of

loss, that “you” spent an amount not less than the total amount of all insurance payable in doing so, “we” will pay “you” the balance of the amount of loss payable under this policy, within 30 days.

- d. If “you” do not comply with the conditions of Clauses (a) or (b) or (c), the first payment will be the only payment for the loss.

If two or more items are subject to this clause, it will apply separately to each item.

8. **AUTOMOTIVE FUELS.** Any fuels used for automotive purposes must be stored in accordance with government regulations.
9. **LIBERALIZATION CLAUSE.** During the term of this policy, if “we” adopt and publish for use any forms, endorsements or rules which would extend or broaden the insurance provided by this policy, without additional premium charge, either by endorsement or substitution, then such extended or broadened insurance will apply to loss occurring after the effective date of such adoption and publication as though such endorsement or substitution had been made.
10. **NON-WAIVER.** “We” shall not be deemed to have waived any term or condition of this policy in whole or in part, unless “our” waiver is clearly stated and in writing, and is signed by a person authorized to do so. In addition, neither “we” nor “you” may be lawfully considered to have waived any term or condition of this policy by any act relating to the appraisal of the amount of a claim, the delivery or completion of proof, or the investigation of or adjustment of any claim under the policy.
11. **EXAMINATION OF INSURED.** In the event of a claim under this policy, “you” must submit to examination under oath, at “our” request, and produce for examination at such reasonable place and time as designated by “us” or “our” representative, all documents in “your” possession or control that relate to the matters in question, and “you” must permit extracts and copies of such documents to be made.
12. **STANDARD MORTGAGE CLAUSE**
Mortgage Conditions: It is hereby provided and agreed that subject to the terms of this mortgage condition (and these shall supersede any policy conditions in conflict therewith but only as to the interest of the mortgagee), loss under this policy is made payable to the Mortgagee specified on the Declaration Page.
- a. **Breach of Conditions by Mortgagor Owner or Occupant** - This insurance and every documented renewal thereof - as to the Interest of the Mortgagee only therein - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy or the occupation of the property for purposes more hazardous than specified in the description of the risk; Provided always that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard that shall come to his knowledge; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.
- b. **Right of Subrogation** - Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that - as the Mortgagor or Owner - no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may as its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
- c. **Other Insurance** - If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee - at law or in equity - then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
- d. **Who May Give Proof Of Loss** - In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
- e. **Termination** - The term of this mortgage condition coincides with the term of the policy: Provided always that the Insurer reserves the right to cancel the policy as provided by Statutory Condition but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory condition.
- f. **Foreclosure** - Should title or ownership to said property become vested in the Mortgagee and/or assigns as

owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

Statutory Conditions also apply.