

NOVA SCOTIA COURT OF APPEAL

Citation: *Royal & Sun Alliance Insurance Company of Canada v. Snow*,
2016 NSCA 7

Date: 20160211
Docket: CA 436806
Registry: Halifax

Between:

Royal & Sun Alliance Insurance Company of Canada

Appellant

v.

Fred Snow, Charlene Snow and Sandy Snow

Respondents

Judge: The Honourable Justice David P.S. Farrar

Appeal Heard: October 5, 2015, in Halifax, Nova Scotia

Subject: **Insurance Law. Interpretation of Insurance Policy. Reasonable Expectations of the Parties. Doctrine of Nullification.**

Summary: The respondents, Fred Snow, Charlene Snow and Sandy Snow brought a motion for determination of a question of law pursuant to *Civil Procedure Rule 12*. The question to be determined was whether the land underneath the Snows' home was covered under the policy of insurance issued by Royal. The motions judge found that it was, citing four justifications for his conclusions:

1. the term "building" as it is contained in the definition of "dwelling", on its face, is broad enough to include the soil under it;
2. the term "building" is ambiguous and, therefore should be interpreted broadly to include the soil under the building;

3. the reasonable expectations of the parties warrants coverage; and
4. nullification of coverage.

The appellant, Royal & Sun Alliance Insurance Company of Canada, sought leave to appeal and, if granted, appealed on the basis that the learned trial judge erred in determining the soil under the Snows' house was insured property under the policy of insurance.

Issues: Did the motions judge err in his interpretation of the policy or in the application of insurance law principles to find coverage?

Result: Leave to appeal granted. Appeal allowed. The motions judge failed to properly apply the principles of interpretation of insurance contracts in arriving at his conclusion that the land under the building was covered. Further, he wrongly applied the principles of reasonable expectations and the doctrine of nullification of coverage to find coverage where none existed.

This information sheet does not form part of the court's judgment. Quotes must be from the judgment, not this cover sheet. The full court judgment consists of 16 pages.