

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL LIMITS OF LIABILITY FOR COVERAGES A, B, C AND D – MASSACHUSETTS

FORMS HO 00 02, HO 00 03 AND HO 00 05 ONLY

(APPLIES ONLY WHEN LOSS TO BUILDING INSURED UNDER COVERAGE A EXCEEDS THE COVERAGE A LIMIT OF LIABILITY SHOWN IN THE DECLARATIONS)

To the extent that coverage is provided, we agree to amend the present coverage amounts in accordance with the following provisions:

A. If you have:

1. Allowed us to adjust the Coverage **A** limit of liability and the premium in accordance with:
 - a. The property evaluations we make; and
 - b. Any increases in inflation; and
2. Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage **A** which increase the replacement cost of the building by 5% or more;

the provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.

B. If there is a loss to the building insured under Coverage **A that exceeds the Coverage **A** limit of liability shown in the Declarations:**

1. We will increase the Coverage **A** limit of liability to equal the current replacement cost of the building;
2. We will increase, by the same percentage applied to Coverage **A**, the limits of liability for Coverages **B**, **C** and **D**. However, we will do this only if the Coverage **A** limit of liability is increased under Paragraph **B.1.** as a result of Coverage **A** loss;
3. We will adjust the policy premium from the time of loss for the remainder of the policy term based on the increased limits of liability; and
4. For the purpose of settling that loss only, Section I Condition **C. Loss Settlement Paragraph 2.** is deleted from the policy forms and Paragraph **2.a.** is deleted from Endorsement **HO 01 20, Special Provisions – Massachusetts**, and replaced by Paragraphs **2.**, **3.** and **4.** as follows:

2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation. We will pay replacement cost if the damaged building is repaired or replaced by you on the "residence premises" or some other location within the Commonwealth of Massachusetts within a reasonable time but not more than two years from the date of loss.

We will pay no more than the smallest of the following amounts:

- a. The replacement cost of that part of the building damaged with material of like kind and quality and for like use;
- b. The necessary amount actually spent to repair or replace the damaged building; or
- c. The limit of liability under this policy that applies to the building, increased in accordance with Paragraphs **B.1.** and **B.2.** of this endorsement.

If the building is rebuilt at a new premises, the cost described in **a.** is limited to the cost which would have been rebuilt at the original premises.

3. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
4. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis, provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.