

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL LOSS SETTLEMENT

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

SCHEDULE*

Percentage Amount Of Full Replacement Cost:

*Entry may be left blank if shown elsewhere in this policy for this coverage.

SECTION I – CONDITIONS

Paragraph **C. Loss Settlement** is deleted and replaced by the following:

C. Loss Settlement

In this Condition **C.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in Additional Coverage **E.11**. Ordinance Or Law. Covered property losses are settled as follows:

1. Property of the following type:

- a.** Personal property;
- b.** Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
- c.** Structures that are not buildings; and
- d.** Grave markers, including mausoleums;

at actual cash value at the time of loss but not more than the amount required to repair or replace.

2. Buildings covered under Coverage **A or **B** at replacement cost without deduction for depreciation, subject to the following:**

- a.** If, at the time of loss, the amount of insurance in this policy on the damaged building is equal to or more than the percentage amount of the full replacement cost of the building immediately before the loss, shown in the Schedule above, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (1)** The limit of liability under this policy that applies to the building;
- (2)** The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
- (3)** The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in **(2)** above is limited to the cost which would have been incurred if the building had been built at the original premises.

- b.** If, at the time of loss, the amount of insurance in this policy on the damaged building is less than the percentage amount of the full replacement cost of the building immediately before the loss, shown in the Schedule, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (1)** The actual cash value of that part of the building damaged; or
- (2)** That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to the percentage of the full replacement cost of the building shown in the Schedule.

c. To determine the amount of insurance required to equal the percentage amount of the full replacement cost of the building immediately before the loss, shown in the Schedule, do not include the value of:

(1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor; or

(2) Those supports in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and

(3) Underground flues, pipes, wiring and drains.

d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of **2.a.** and **b.** above.

However, if the cost to repair or replace the damage is both:

(1) Less than 5% of the amount of insurance in this policy on the building; and

(2) Less than \$2,500;

we will settle the loss according to the provisions of **2.a.** and **b.** above whether or not actual repair or replacement is complete.

e. 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 according to the provisions of this Condition **C.** Loss Settlement, provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions on this policy apply.