

LOSS SETTLEMENT ENDORSEMENT

This endorsement changes your policy. Please read it carefully and keep it with your policy.

Number 5. **Events After Loss** in the **Special Provisions Endorsement** is amended to include the following in number 5.a.(7):

- (g) If you elect to make a claim for replacement cost under this policy, this proof of loss shall also state to the best of your knowledge and belief:
 - i. the replacement cost of the described dwelling.
 - ii. the replacement cost of any other building on which loss is claimed.
 - iii. the full cost of repair or replacement of loss without deduction for depreciation.

Number 6. under **CONDITIONS** is replaced with the following:

6. Loss Settlement.

- a. For covered losses under COVERAGE A (DWELLING), except wall-to-wall carpeting, cloth awnings, and fences, we will pay the replacement cost value (RCV) of the damaged property, subject to the following:

- (1) If, at the time of loss the Coverage A limit of liability is 80% or more of the full RCV of the dwelling, we will pay the repair, rebuild, or replacement cost of the damaged building structure(s) without deduction for depreciation.
- (2) If, at the time of loss, the Coverage A limit of liability is less than 80% of the full RCV of the dwelling, we will pay only a proportionate share of the full RCV of the damaged building structure(s). Our share is equal to:

$$\text{RCV of the Loss} \times \frac{\text{Coverage A (Dwelling) Limit of Liability}}{80\% \text{ of RCV of the Dwelling}}$$

- (3) If, at the time of loss, the actual cash value of the damaged building structure(s) is greater than the RCV determined under (1) or (2) above, we will pay the actual cash value up to the applicable limit of liability.

When we determine the amount of insurance to equal 80% of the full RCV of the dwelling, we do not include the value of excavations, underground pipes and wiring, and foundations that are below the surface of the ground.

We will pay only the actual cash value of the damaged building structure(s) until repair, rebuild, or replacement is complete. Repair, rebuild, or replacement must be completed within 365 days after loss, unless you request in writing that this time limit be extended for an additional 180 days. Upon completion of the repairs, rebuilding, or replacement, we will pay the additional amount claimed under RCV, but our payment will be the smallest of the following:

- (1) the amount actually and necessarily spent to repair, rebuild, or replace the damaged building structure(s).
 - (2) the cost to repair, rebuild, or replace that part of the building structure(s) damaged with material of like kind and quality and for the same use and occupancy on the same premises.
 - (3) the limit of liability applicable to the damaged or destroyed building structure(s).
- Proof of the repairs, rebuild, or replacement must be submitted.

- b. For covered losses under COVERAGE B (PERSONAL PROPERTY) and to wall-to-wall carpeting, cloth awnings, and fences, we will pay the smallest of the following:

- (1) the actual cash value at the time of loss determined with proper deduction for depreciation.
- (2) the cost to repair, rebuild, or replace the damaged property with material of like kind and quality, with proper deduction for depreciation.
- (3) the specified limit of liability.

All other provisions of your policy apply.