

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

## SPECIFIED STRUCTURES – REPLACEMENT COST LOSS SETTLEMENT

With respect only to the coverage provided by this endorsement, “your” policy is amended as indicated.

### SECTION I – CONDITIONS

Paragraph **C. Loss Settlement** is replaced with the following terms and provisions with respect only to the specified structures identified in the Declarations with this form number.

#### **C. Loss Settlement**

Loss to covered buildings designated in the Declarations will be settled at replacement cost, without deduction for depreciation, subject to the following:

1. If at the time of loss the amount of insurance in this policy on the damaged building is 80 percent or more of the full replacement cost of the building immediately prior to the loss, “we” will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the smallest of the following amounts:
  - a. The limit of liability under this policy applying to the building;
  - b. The replacement cost of that part of the building damaged for equivalent construction and use on the same premises; or
  - c. The amount actually and necessarily spent to repair or replace the damaged building.
2. If at the time of loss the amount of insurance in this policy on the damaged building is less than 80 percent of the full replacement cost of the building immediately prior to the loss, “we” will pay the larger of the following amounts, but not exceeding the limit of liability under this policy applying to the building:
  - a. The “actual cash value” of that part of the building damaged; or
  - b. The amount of insurance on the building divided by 80 percent of its full replacement cost times the amount of the loss.
3. In determining the amount of insurance required to equal 80 percent of the full replacement cost of the building immediately prior to the loss, “you” shall disregard the value of:
  - a. Excavations, foundations, piers and other supports below the undersurface of the lowest basement floor or, where there is no basement, below the surface of the ground inside the foundation walls; and
  - b. Underground flues, pipes, wiring, and drains.
4. “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 as noted in **1.**, **2.**, and **3.** above.  
However, if the cost to repair or replace the damage is both:
  - a. Less than 5 percent of the amount of insurance in this policy on the building; and
  - b. Less than \$2,500;“we” will settle the loss as noted in **1.** and **2.** above whether or not actual repair or replacement is complete.
5. “You” may disregard the replacement cost loss settlement provisions and make a claim for the “actual cash value” of the loss to buildings before repairs are made. A claim for any additional amount payable under this coverage must be made within 180 days after the date of loss.

#### **Missouri Policy Exception – applicable only to policies issued in the state of Missouri:**

If “you” fail to notify “us” of “your” intent to make additional claim within the 180 day time frame, such failure will not invalidate the claim unless such failure operates to prejudice “our” rights.

All other terms and conditions of this policy apply.