

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

DWELLING REPAIR OR REPLACEMENT COST COVERAGE

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

This endorsement applies to dwellings identified in "your" Declarations with this form number.

1. In consideration of the special characteristics of "your" dwelling, "we" agree to amend the present Dwelling Coverage amounts described on the Declarations in accordance with the following provisions:
 - a. If "you" have:
 - 1) Allowed "us" to adjust the Dwelling Coverage amount and premium in accordance with:
 - a) The property evaluations "we" make, and
 - b) Any increase in inflation; and
 - 2) Notified "us", within 30 days of completion of any alterations to the dwelling which increases the replacement cost of the dwelling by 5% or more; and
 - 3) Elected to repair or replace the damaged building.
 - b. "We" will:
 - 1) Increase the Dwelling Coverage amount by up to 25% if the amount of loss or damage to the dwelling is more than the amount of coverage indicated on the Declarations; and
 - 2) Increase the amount of coverage for Other Structures, Personal Property and Additional Living Expense and Loss of Rents Coverages by the same percentage applied to the Dwelling Coverage Amount. "We" will only do this if the Dwelling Coverage amount is increased as a result of dwelling loss covered by paragraph a. above; and
 - 3) Adjust the policy premium from the time of the loss for the remainder of the policy period based on the increased amounts of coverage.
2. If "you" comply with the provisions of this endorsement and there is loss to a dwelling insured under the Dwelling Coverage, the loss settlement provisions for the dwelling is amended as follows:
 - a. Dwellings will be settled at replacement or repair cost without deduction for depreciation. "We" will pay no more than the smallest of the following amounts for equivalent construction and use on the same "insured premises" :
 - 1) The replacement cost of the dwelling or any parts of it;
 - 2) The amount actually and necessarily spent to repair or replace the dwelling or any parts of it; or
 - 3) 125% of the amount of coverage shown on the Declarations for Dwelling Coverage.
 - b. "We" will pay no more than the actual cash value of the loss or damage until actual repair or replacement is completed.
 - c. "You" may disregard this dwelling repair or replacement cost loss settlement provision and make claim under the policy for loss or damage to dwellings on an actual cash value basis and then make a claim within 180 days after the loss for any additional liability on a replacement cost basis.

All other terms and conditions of this policy apply.