

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS SETTLEMENT AMENDMENT - DWELLING REPLACEMENT COST

Attached To and Forming Part of Policy	Effective Date of Endorsement 12:01AM at the Named Insured address shown on the Declarations	Named Insured
Additional Premium:		Return Premium:

This endorsement modifies insurance under the following:

HOMEOWNERS COVERAGE

SECTION I – CONDITIONS, D. Loss Settlement, Paragraphs **2.** and **3.** are deleted and replaced by the following:

2. If no coinsurance percentage is shown on the Declarations, your dwelling under **COVERAGE A** is subject to the following:
 - a. The least of the following amounts:
 - (1) The **COVERAGE A** Limit of Liability under this Policy;
 - (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.
 - b. In the event of a partial hail "loss", we will settle the "loss" according to the provisions of **2.a.** above.
3. If a coinsurance percentage is shown on the Declarations, your dwelling under **COVERAGE A** is subject to the following:
 - a. We will not pay the full amount of any "loss" if the value of the dwelling at the time of "loss" multiplied by the coinsurance percentage shown on the Declarations is greater than the limit applicable to that property.

Instead, we will determine the most we will pay using the following steps:
 - (1) Multiply the value of the dwelling at the time of "loss" by the coinsurance percentage;
 - (2) Divide the limit applicable to the property by the figure determined in **(1)** above;
 - (3) Multiply the total amount of loss, without deduction for depreciation and before application of any deductible, by the figure determined in **(2)** above; and
 - (4) Subtract the deductible from the figure determined in **(3)** above.
 - b. We will pay the amount determined in **a.(4)** above or the **COVERAGE A** Limit of Liability, whichever is less.

The following is added to **SECTION I – CONDITIONS, D. Loss Settlement**:

We will pay no more than the "actual cash value" of the "loss" until actual repair or replacement is completed. Once actual repair or replacement is completed, we will settle the loss as described in Paragraph **2.** or **3.** above, whichever is applicable.

Your choice not to immediately repair or replace your property will not affect your right to pursue your claim within 180 days after the "loss" for any additional payments that may be due to you. Proof of repair or replacement must be submitted, including any applicable invoice or receipt.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN