FARMERS MUTUAL INSURANCE ASSOCIATION

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

FUNCTIONAL REPLACEMENT COST – SPECIFIED BUILDINGS

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

HOW MUCH WE PAY FOR LOSS OR CLAIM

Paragraph 4. **Loss Settlement** is replaced with the following terms and provisions with respect only to the building(s) identified in the Declarations with this form number.

4. **Loss Settlement**

   A. If **you** repair or replace the loss to restore the building for the same occupancy and use at the same site within 180 days of the date of loss, **we** will pay the lesser of the following amounts:

      1. The **limit** of liability that applies to the damaged or destroyed building structure; or

      2. The necessary amount actually spent to repair or replace the loss to the building structure but no more than the cost of using common construction materials and methods where functionally equivalent to and less costly than obsolete, antique or custom construction materials and methods.

   B. If **you** do not make claim under paragraph A. above, **we** will pay the least of the following amounts:

      1. The **limit** of liability that applies to the damaged or destroyed building;

      2. The market value at the time of loss of the damaged or destroyed building exclusive of land value; or

      3. The amount that would have been spent had those repairs or replacements been made in accord with subparagraph A.2., above.

   In this provision, the terms repair or replace 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 added to this policy.

All other **terms** and conditions of this policy apply.

Policy Number	Insured's Name (Please Print)
Date	Insured's Signature

If this copy of the endorsement does not contain the "insured's" signature, the original signed by the "insured", is on file with "us".