

DWELLING REPLACEMENT COST ENDORSEMENT

This is subject to the terms of How Much We Pay For Loss or Claim.

Loss Settlement – We will settle Coverage A and B losses according to Replacement Cost Terms. If the Replacement Cost Terms do not apply, we will settle losses according to the Actual Cash Value Terms.

a. Replacement Cost Terms

- 1) These apply only to buildings covered under Coverages A and B that have a permanent foundation and roof. They do not apply to:
 - a) mobile homes, whether or not on a permanent foundation;
 - b) window air-conditioners;
 - c) awnings and canopies;
 - d) appliances;
 - e) carpets;
 - f) window coverings; and
 - g) submersible pumps and motors.
- 2) In determining the replacement cost, do not include the cost of:
 - a) excavations;
 - b) brick, stone, or concrete foundations;
 - c) piers and other supports which are below the surface of the ground inside the foundation walls; and
 - d) underground flues, pipes, wiring and drains.
- 3) When the cost to repair or replace exceeds the lesser of \$2,500 or five percent of the limit on the damaged building, we do not pay for more than the actual cash value of the loss until repair or replacement is completed. You may make a claim for the actual cash value of the loss before repairs are made. A claim for an additional amount payable under these terms must be made within six months after the loss.

- 4) If the limit on the damaged building is less than 80 percent of its replacement cost at the time of loss, the larger of the following amounts is used in applying the terms under Our Limit:
 - a) the actual cash value at the time of the loss; or
 - b) that part of the replacement cost of the damaged part which our limit on the building bears to 80 percent of the full current replacement cost of the building.
- 5) If the limit on the damaged building is at least 80 percent of its replacement cost at the time of loss, the smaller of the following amounts is used in applying the terms under Our Limit:
 - a) the cost to repair or replace the damage on the insured premises using materials of like kind and quality, to the extent practical; or
 - b) the amount spent to repair or replace the damage.
- 6) A claim for the additional amount payable under these terms must be made within 180 days after the loss.