

Extra Measure of Protection Endorsement

Your policy is amended to include the following additions and extensions of coverages:

Replacement Cost Coverage

Under Condition E, Loss Settlement, paragraph 2. is deleted and the following substituted:

2. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
 - a. We will pay the cost of repair or replacement, without deduction for depreciation, subject to the following amounts:
 - (1) the limit of liability under this policy applying to the building;
 - (2) the replacement cost of that part of the building damaged, for equivalent construction and use on the same premises; or
 - (3) the amount actually and necessarily spent to repair or replace the damaged building.
 - b. When the cost to repair or replace the damage is more than \$1,000 or more than 5% of the amount of

insurance in this policy on the building, whichever is less, we will pay no more than the actual cash value of the damage until actual repair or replacement is completed.

- c. You may disregard the replacement cost provision and make claim under this policy for loss or damage to buildings on an actual cash value basis and then make claim within 180 days after loss for any additional liability on a replacement cost basis.

Inflation Protection Coverage

The following condition is added to your policy:

Inflation Protection - Coverages A, B, D and E

If during the policy period there is an increase in residential construction costs, the limit of liability for Coverages A, B, D and E shall be increased by the percentage of increase in local residential construction costs as an additional amount of insurance.

The percentage of increase in local residential construction costs, if any, shall be calculated from periodic reports to us by recognized national appraisal agencies.