

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MODIFIED LOSS SETTLEMENT

FORM DP 00 01 ONLY

CONDITIONS

Paragraph **E. Loss Settlement** is deleted and replaced by the following:

E. Loss Settlement

Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
 - c. Structures that are not buildings;
at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings under Coverage **A** or **B**:
 - a. If you repair or replace the loss to restore the building structure 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 structure;
- (2) The market value at the time of loss of the damaged or destroyed building structure exclusive of land value; or
- (3) The amount which it would cost to repair or replace that part of the building structure damaged or destroyed with material of like kind and quality less allowance for physical deterioration and depreciation.

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 provisions of this policy apply.