

ADDITIONAL LIMITS COVERAGES A, B, C, AND D

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

1. The coverage provided by this endorsement applies only when:
 - a. loss to the residence covered under Coverage A exceeds the Coverage A "limit" shown on the "declarations";
 - b. "you" have:
 - 1) notified "us" within 30 days of completion of any additions or alterations to or remodeling of the residence covered under Coverage A that increase its replacement cost by 5% or more; and
 - 2) permitted "us" to adjust the Coverage A "limit" and the premium to reflect:
 - a) any property evaluations made by "us"; and
 - b) any increase in construction costs due to inflation; and
 - c. after the loss, "you" elect to repair or replace the damaged residence.
2. Subject to the "terms" stated in 1. above, if there is a covered loss to the residence covered under Coverage A that exceeds the Coverage A "limit" shown on the "declarations":
 - a. "we" will increase the Coverage A "limit" to equal the current replacement cost of the residence;
 - b. "we" will increase the Coverage B, Coverage C, and Coverage D "limits" shown on the "declarations" by the same percentage increase that was applied to the Coverage A "limit";
 - c. "we" will adjust the premium from the time of the loss for the remainder of the policy term based on the increased "limits"; and
 - d. with respect only to that loss, How Much We Pay For Loss Or Occurrence is amended as follows:
 - 1) Our Limit is amended by the following addition:

For loss covered under Coverage A, Coverage B, Coverage C, or Coverage D, the "limit" that applies is the increased "limit" as provided in 2.a. and 2.b. of this endorsement.
 - 2) Items b) and d) under the Replacement Cost Terms (Replacement Cost Terms That Apply To Coverage A And Coverage B Only in form HO 0005) are deleted.
 - 3) Item c) under the Replacement Cost Terms (Replacement Cost Terms That Apply To Coverage A And Coverage B Only in form HO 0005) is deleted and replaced by the following:
 - c) The smaller of the following amounts is used in applying the "terms" under Our Limit:
 - (1) the amount actually and necessarily spent to repair or replace the damaged building; or
 - (2) the cost to repair or replace the damage:
 - (a) using materials of like kind and quality; and
 - (b) for like use.

However, when a damaged building is rebuilt at another location, such cost is limited to the cost that would have been incurred if the building had been repaired or replaced at the location where the damage occurred.

- 4) Item e) under the Replacement Cost Terms (Replacement Cost Terms That Apply To Coverage A And Coverage B Only in form HO 0005) is deleted and replaced by the following:
 - e) "We" will pay no more than the "actual cash value" of the loss until repair or replacement is completed.

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