

**MODIFIED LOSS SETTLEMENT ENDORSEMENT
AMENDING SECTION I CONDITION 3**

E6002

1st Edition

Condition 3 - Loss Settlement is deleted and replaced with the following:

3. Loss Settlement.

a. Covered loss to buildings under Coverage A and B will be settled by one of the following methods:

(1) *Repair Cost*. If you decide to repair or replace the damaged or destroyed building(s) at the **residence premises** for the same use, we shall pay the smallest of the following amounts:

(a) the amount which you actually and necessarily spend to repair or replace the damaged or destroyed building(s).

(b) the limit of insurance that applies to the damaged or destroyed building(s).

Repair or replacement will be made using common construction materials and methods, locally available, which are equal in function and less costly than obsolete, antique, or custom construction and methods.

(2) *Actual Cash Value*. If there is a partial loss and you decide not to repair or replace the damaged building, we shall pay the **actual cash value** not to exceed the limits of insurance that apply to the damaged building. You have the option of making a claim within 180 days after the date of loss for any additional payment on a **repair cost** basis if you do repair or replace the damaged building.

(3) *Market Value*. If the **residence premises** is a total loss and you decide not to repair or replace at the same location, we will pay the market value at the time of loss, not to exceed the limit of insurance shown in the Declarations.

b. Covered loss to the following types of property will be settled at **Actual Cash Value**:

(1) Personal Property.

(2) Structures that are not considered buildings.

(3) Carpeting, domestic appliances, awnings, outdoor equipment and antennas, all whether or not attached to buildings.

Payments will not exceed the limits of insurance that apply to the damaged or destroyed property.

Condition 4 - *Value Protection Clause* is deleted.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.