

**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.  
SPECIAL LOSS SETTLEMENT  
(HO-3R only)**

**Coverage D - Loss of Use Protection**, 1. **Additional Living Expense** is deleted and replaced by the following:

1. **Additional Living Expense.** If a loss covered under Section I & LOSSES WE COVER makes that part of the "**residence premises**" where you reside uninhabitable, we cover the reasonable and necessary increase in living expenses so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere, in either event, not to exceed 12 months.

However, if a loss covered under Section I - LOSSES WE COVER results from an event which is assigned a Property Claims Service (PCS) catastrophe code, payment will be for the shortest time required to repair or replace the damage, or if you permanently relocate, the shortest time required for your household to settle elsewhere, in either event not to exceed 24 months. This extension does not increase the amount of insurance provided under Loss of Use Protection.

**TOTAL LOSS - LOSS SETTLEMENT**

**Coverage A - Dwelling Protection**

In the event that your dwelling is completely destroyed solely by Fire or Windstorm to the extent that it has lost its identity and specific character as a building, for Coverage A - Dwelling Protection only, SECTION I - Conditions, 3. **Loss Settlement**, item b. is deleted and replaced by the following:

- b. Under Coverage A - Dwelling Protection: We will pay you the total amount of insurance for Coverage A - Dwelling Protection shown in the Declarations.

To receive any additional Coverage A - Dwelling Protection payments for loss to your dwelling under any endorsement or other provisions of this policy, you must complete the actual repair or replacement of the dwelling. The replacement or repair must be completed within two years of the date of loss, unless during this period you request in writing that this time limit be extended for an additional 180 days. You must then notify us within 30 days after the work has been completed.

When repair or replacement is actually completed, we will pay the lesser of:

- (1) The covered additional amount you actually and necessarily spend; or the amount it would cost us to repair or replace the dwelling,
- (2) In no event will we pay more than the applicable coverage limits stated in the policy or endorsements.

**Coverage C - Personal Property Protection**

In the event that your dwelling is completely destroyed solely by Fire or Windstorm to the extent that it has lost its identity and specific character as a building, and your personal property is destroyed to the extent the property cannot be repaired to its condition prior to the loss we will pay your claim under the following terms:

Items a., b. and c. of the LOSS SETTLEMENT provision of the REPLACEMENT COST COVERAGE - PERSONAL PROPERTY endorsement is deleted and replaced by the following:

We will pay 75% of the amount of insurance for Coverage C - Personal Property Protection as shown in the Declarations, if this is your primary residence and all of your personal property is located in your dwelling located on the "**residence premises**" at the time of loss.

However, if part of your personal property covered by this endorsement is at another location, or in an undamaged structure on the "**residence premises**" at the time of the loss, payment will be 75% of the Coverage C - Personal Property Protection limit less the covered replacement cost of the personal property not destroyed.

To receive additional payment which exceeds 75% of Coverage C - Personal Property Protection limit, the provisions and terms of the REPLACEMENT COST COVERAGE - PERSONAL PROPERTY endorsement will apply. However, Item b. of the LOSS SETTLEMENT provision is deleted and replaced by:

- b. We will pay no more than "**actual cash value**" until repair or replacement of the damaged property is completed.

In no event will we pay more than the applicable coverage limits stated in the policy or endorsements.

**Liberalization Clause.**

The provisions of this endorsement will automatically apply to your insurance as of the date we implement this change in your state.

Unless specifically modified by this endorsement all other provisions of the policy to which this endorsement is attached shall apply.