

EXPANDED REPLACEMENT COST TERMS

This endorsement applies only to the "residence" covered under Coverage A.

(2) the amount actually and necessarily spent to repair or replace the damage.

When a covered loss exceeds the Coverage A "limit" shown on the "declarations" and "you" elect to repair or replace the "residence", under How Much We Pay For Loss or Claim, Property Coverages:

The "terms" shown above apply only if "you" have:

1. Our Limit is deleted and replaced by:
 - a. **Our Limit** -- Subject to the deductible or other limitation that applies, "we" pay the lesser of:
 - 1) 120% of the Coverage A "limit" shown on the "declarations";
 - 2) "your" interest in the property; or
 - 3) the amount determined under the applicable Loss Settlement Terms.
2. Loss Settlement Terms 1.e.1)d) and 1.e.1)e) are deleted and replaced by:
 - d) The smaller of the following amounts is used in applying the "terms" under Our Limit:
 - (1) the cost to repair or replace the damage on the same premises using materials of like kind and quality, to the extent practical; or

1. notified "us" within 45 days of completion of any additions or alterations to or remodeling of the "residence" covered under Coverage A that increase its replacement cost by \$5,000 or more; and
2. permitted "us" to adjust the Coverage A "limit" during the policy period in accordance with:
 - a. any property evaluations made by "us" or on "our" behalf;
 - b. any increase in construction costs due to inflation; and
 - c. any increase in replacement cost resulting from any additions or alterations to or remodeling of the "residence".

"You" must pay any additional premium due for any adjustment to the Coverage A "limit".

ML-145 Ed 1.0

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