

ED-0055-0113

Functional Rebuilding Cost Endorsement

If the "Declaration Page" shows that the Functional Rebuilding Cost Endorsement applies, the Basis of Claim Payment for the Dwelling Building is amended as follows:

If this is an insured loss, "we" will pay for loss or damage if "you" repair or replace the damaged or destroyed Dwelling Building on the same location with current and common building materials using current building techniques within a reasonable amount of time after the damage.

"You" may choose as the basis of loss settlement either (A) or (B) below; otherwise settlement will be as in (B).

(A) the cost of repairs or replacement (whichever is less) without deduction for depreciation for the Dwelling Building provided:

1. The amount of insurance shown on the "Declaration Page" for the Dwelling Building represents 100% of the cost to rebuild the insured "dwelling" on the same site with current and common materials and methods which are functionally equivalent to custom, antique or obsolete materials and methods used when the Dwelling Building was first constructed;
2. "You" agree to accept each annual adjustment in the amount of insurance as recommended by "us" and pay the additional premium; and
3. "You" notify "us" within 30 days of the start of any additions or other physical changes to the building(s), which may increase the rebuilding cost of the structure by 5% or more, and pay any resulting additional premium.

(B) the 'Actual Cash Value' of the damage at the date of the occurrence.

'Actual Cash Value' will take into account such things as the cost of replacement/rebuilding less any depreciation. In determining depreciation "we" will consider the condition immediately before the damage, type of construction material and techniques and their normal life expectancy.

In all other respects, the policy provisions and limits of liability remain unchanged.

This coverage is void if "you" fail to comply with its provisions.

SEE ALSO GENERAL EXCLUSIONS, DEFINITIONS, PROVISIONS, AND STATUTORY CONDITIONS OF THIS POLICY.