Optional Coverage Y

MODIFIED REPLACEMENT COST PROVISION
EXPANDED COVERAGE DWELLING
(Coverage A)
(Not applicable to mobile homes whether or not on a permanent foundation)

This policy is amended by the following:

(“Our” “limit” under this coverage is subject to the “terms” of How Much We Pay for Loss or Claim in the General Policy Provisions.)

1. This coverage applies only to a “dwelling” scheduled on the declarations and shown as having this form applicable. This coverage applies only to such covered “dwelling”, including additions and built-in components and fixtures, covered under Coverage A – Dwelling. The “dwelling” must have a permanent foundation and roof. This coverage does not apply to:
   a. mobile homes whether or not on a permanent foundation;
   b. domestic appliances;
   c. detachable building items including awnings and window air-conditioners;
   d. outdoor structures which are not permanent components or fixtures of a building. These include, but are not limited to, swimming pools, fences, paved areas, submersible pumps and sump pumps;
   e. outdoor antennas, satellite dishes, their lead-in wiring, accessories and towers; or
   f. solid fuel outdoor heating units and their attachments.

2. If “you” have:
   a. allowed “us” to adjust the Coverage A – Dwelling “limit” to 100 percent of the “dwelling” replacement cost and adjust the premium in accordance with:
      (1) the property evaluations “we” make; and
      (2) any increase in inflation; and
   b. notified “us”, within thirty (30) days of completion, of any alterations to the “dwelling” which increase the replacement cost of the “dwelling” by 5 percent or more; and
   c. elected to repair or replace the damaged “dwelling”;

3. “We” will:
   a. increase the Coverage A – Dwelling “limit” if the amount of loss to the “dwelling” is more than the “limit” indicated on the declarations;
   b. also increase by the same percentage applied to Coverage A – Dwelling the “limits” for Coverage C – Household Personal Property and Coverage D – Increase in Living Costs and Loss of Rents. However, “we” will do this only if the Coverage A - Dwelling “limit” is increased under paragraph 3.a. above as a result of a Coverage A – Dwelling loss;
   c. adjust the policy premium from the time of loss for the remainder of the policy period based on the increased “limits”.

4. If “you” comply with the provisions of this endorsement, “we” pay the cost of repair or replacement of the damaged “dwelling” under Coverage A – Dwelling at replacement cost without deduction for depreciation. “We” will pay no more than the lesser of the following amounts for equivalent construction and use on the same premises:
   a. the replacement cost of the “dwelling” or any parts of it;
   b. the amount actually and necessarily spent, in excess of the deductible, to repair or replace the “dwelling” or any parts of it;
   c. the applicable “limit” whether increased or not, adjusted in accordance with paragraph 2. above; or
   d. an amount not to exceed 110 percent of the amount of Coverage A – Dwelling as indicated on the declarations.

5. “We” will pay no more than the “actual cash value” of the damage until actual repair or replacement is completed.

6. “You” may make a claim for the “actual cash value” of the loss before repairs are made or replacement is complete. Repairs must be made or replacement must be completed within 180 days after the loss. A claim for an additional amount payable under this coverage must be made within 180 days after the loss.

7. “We” do not cover land, including land on which the “dwelling” is located, underground water or surface water.

All “terms” not specifically changed by this optional coverage remain the same.