

**ENDORSEMENT NO.
(FAIR) HO-804**

**REPLACEMENT COST
COVERAGE A (DWELLING),
Except Roof Coverings
(FAIR PLAN)**

SECTION I – CONDITIONS

The **Loss Settlement** Condition 4. is replaced by the following:

3. **Loss Settlement.** Covered property losses are settled as follows:

a. Our limit of liability and payment for covered losses to personal property, wall to wall carpeting, cloth awnings, fences and **roof coverings** will not exceed the smallest of the following:

- (1) the **actual cash**; or
- (2) the specified limit of liability of the policy.

“Roof covering” means:

- (1) the roofing material exposed to the weather and any underlying layers that form a part of the roofing;
- (2) the underlayments applied for moisture protection; and
- (3) all flashings, vents, fasteners, and related components required in the replacement of the roofing.

b. Our limit of liability and payment for covered losses to dwelling and other structure(s) under Coverage A (Dwelling), except wall-to-wall carpeting, cloth awnings, fences and **roof coverings**, will be at **cost of repair or replacement** subject to the following:

- (1) If, at the time of loss, the Coverage A (Dwelling) limit of liability is 80% or more of the full replacement cost of the dwelling, we will pay the **cost of repair or replacement** of the damaged building structure(s).
- (2) If, at the time of loss, the Coverage A (Dwelling) limit of liability is less than 80% of the full replacement cost of the dwelling, we will pay only a proportionate share of the full replacement cost of the damaged building structure(s). Our share is equal to:

Cost of repair or replacement

x

Coverage A (Dwelling) Limit of Liability

80% of Replacement Cost of the Dwelling

In determining the amount of insurance required to equal 80% if the full replacement cost of the dwelling, do not include the value of excavations, underground pipes, and wiring and foundations which are below the surface of the ground.

We will pay only the **actual cash value** until repair or replacement is complete. Repair or replacement must be completed within 545 days after the date of loss. Upon completion and documentation of all repairs or replacement, we will pay the additional amount claimed under replacement cost coverage, but our payment will not exceed the smallest of the following:

- (1) the limit of liability under this policy applicable to the damaged or destroyed building structure(s);
- (2) the **cost of repair or replacement**; or
- (3) the amount actually and necessarily spent to repair or replace the damaged building structure(s), as documented by records, including invoices, bills, statements, and receipts, submitted to us.

All other policy provisions apply.