

INCREASED COST OF CONSTRUCTION - BUILDING LAWS

Applicable to Homeowners Policies HO-A, HO-B, and HO-C only:

Section I Exclusions. Exclusion 3. **"BUILDING LAWS"** exclusion is modified to provide coverage only to the extent described under Perils Insured Against.

a) Coverage Provided.

You may use up to \$5,000 (at no additional premium) for the increased costs that you incur due to the enforcement of any ordinance or law, which requires or regulates:

- 1) The construction, demolition or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- 2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- 3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

You may use all or part of this coverage to pay for the increased costs you incur to remove debris resulting from the construction, repair or replacement of property as stated in a) above.

This is additional insurance and does not reduce Coverage A (Dwelling) the limit of liability.

b) Building Ordinance or Law Coverage Limitations.

We will not pay for the increased cost of construction:

- 1) If the building or structure is not rebuilt or repaired;

- 2) If the rebuilt or repaired building or structure is not intended for the same type occupancy as the current building or structure;
- 3) Until the building or structure is actually repaired or rebuilt at the same premises; or
- 4) Unless the rebuilding or repair are made as soon as reasonably possible after the loss or damage, not to exceed 365 days after loss unless you have requested in writing that this time limit be extended for an additional 180 days.

c) We do not cover:

- 1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- 2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the effects of, pollutants on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

- d) If the insured property is located in an area which is eligible for coverage through the Texas Windstorm Insurance Association, the coverage described above, also applies to the increased cost you incur due to the repair, replacement or demolition required for the dwelling to comply with the building specifications contained in the Texas Windstorm Insurance Association's plan of operation.

All other Terms of the policy apply.

