RESIDENCE SPECIAL LOSS SETTLEMENT ENDORSEMENT

Refer to Supplemental Declarations if information is not shown on this form.

We will amend the ~~limit~~amount of insurance applying to Coverage A, as shown on form ML-20, for an additional premium subject to these conditions.

A. ***We*** will:
   1. Increase Coverage A ~~limit~~amount of insurance to equal the current replacement cost of the ***residence*** should a covered loss to the ***residence*** exceed the Coverage A ~~limit~~amount of insurance. This agreement is conditioned on ***your*** obligation to insure the ***residence*** to 100% of the value that ***we*** recommend in accordance with B2 following. ***Your*** failure to comply voids ***our*** entire obligation under this endorsement.
   2. Include any increased cost due to enforcement of any ordinance or law that regulates the construction or repair of ***your residence*** following a covered loss.

B. ***You*** will:
   1. Elect to repair or replace the ***residence*** by agreement with ***us***; any disagreement will be resolved by arbitration or appraisal.
   2. Allow ***us*** to adjust the Coverage A ~~limit~~amount of insurance on policy inception, renewal or anniversaries, or at agreed intervals in accordance with any property evaluation ***we*** may make, as referenced on the Declarations Page.
   3. Notify ***us*** within 60 days of completion of any improvements to the ***residence*** that exceed 5% of the ~~limit~~amount of insurance of Coverage A and pay any additional premium. ***Your*** failure to comply voids this entire endorsement and any loss will be settled in accordance with that section titled "How Much ***We*** Pay for Loss or Claims" on the form ML-20.

C. When this endorsement is applicable, ***we*** will *not* pay more than the lesser of:
   1. The replacement cost of the ***residence*** or any part of it.
   2. The amount actually and necessarily expended to repair or replace the ***residence***, or any part of it, in the same construction with materials of like kind and quality at the same location.

When the cost to repair or replace the damage exceeds $5000, ***we*** will only pay the actual cash value of the damage until the actual repair or replacement has been completed.