



OREGON MUTUAL INSURANCE COMPANY
REPLACEMENT COST PROVISION EXPANDED COVERAGE
WITH BUILDING CODE UPGRADE COVERAGE
(Coverage A – Dwelling and Coverage B – Detached Garages Only)

H152C (7-19)

(Our liability under this provision is subject to the **terms** of How Much We Pay for Loss or Claim in the General Policy Provisions.)

1. This provision applies only to the primary residence located on the **insured premises**, covered under Coverage A - Residence, and detached garages used solely for private garage purposes, covered under Coverage B - Related Private Structures, on the premises. The building must have a permanent foundation and roof. This provision does not apply to:
 - a. domestic appliances;
 - b. carpeting, curtains, and drapes, all whether or not permanently installed;
 - c. detachable building items including screens, awnings, storm doors and windows, and window air-conditioners; or
 - d. outdoor structures (other than detached garages used solely for private garage purposes). Outdoor structures include (but are not limited to) swimming pools, fences, paved areas, submersible pumps, and sump pumps.
2. Under **How Much We Pay for Loss or Claim**, for the purpose of this provision Item 1. a. (1) and (2) are replaced by:
 - (1) Loss to the dwelling building and detached garage under Coverage A and B will be settled at replacement cost without deduction for depreciation. **We** will pay no more than the smallest of the following amounts for like construction and use:
 - a. The replacement cost of that part of the dwelling building and/or detached garage damaged or destroyed;
 - b. The necessary amount actually spent to repair or replace the damaged or destroyed building and/or detached garage; or
 - c. The limit of liability under this policy that applies to the dwelling building and/or detached garage.
 - d. If the building is not repaired or replaced at the same site, **we** will not pay more than what it would have cost to repair or replace the building at the original site, including any increased costs you would have incurred due to the enforcement of any ordinance or law or the replacement cost, including any extended replacement cost coverage, to the extent those costs are otherwise covered by the terms of the policy or any policy endorsement.

- (2) If there is loss to the dwelling building and detached garage that exceeds the Coverage A and/or Coverage B limit of liability shown on the Declaration, for the purpose of settling that loss only:
 - a. **We** will provide insurance, up to 150% of the limit of liability for the coverage stated on the Declaration; and
 - b. Within the 150% Coverage A and B limit, **we** include a specific limit that may result from enforcement of any ordinance or law regulating the construction, repair, or demolition of the dwelling or detached garage.

The Ordinance or Law Limit shown on the Declaration page is our maximum limit for both the residence and detached garages for any one occurrence.

Provisions 2. (1) and (2) listed in this endorsement apply only if you elect to repair or replace the damaged or destroyed dwelling building and/or detached garage.

You must notify **us** within 90 days of the start of:

- a. a new building valued at \$5,000 or more; or
- b. additions to or remodeling of a covered building which increase its value by \$5,000 or more.

You must pay the additional premium due for the increase in value. If **you** do not notify **us** within 90 days, **we** pay no more than the **limit** for the covered buildings excluding the value of the additions and improvements.

3. When the cost to repair or replace exceeds the lesser of \$1,000 or 5% of the applicable **limit** on the damaged building, **we** are not liable for more than the actual cash value of the loss until actual repair or replacement is completed. **You** may make a claim for the actual cash value of the damaged property before the repair or the replacement takes place and then make a follow-up claim later for the replacement cost, provided repair or replacement is completed within 12 months of the date that the initial payment is made. **We** will allow additional extensions of up to six months if repair or replacement is delayed for good cause. In the event of a loss related to a state of emergency as defined in Section 8558 of the Government Code of California, repair or replacement must be completed within 36 months of the date that the initial payment is made.

4. **Section I Exclusion.**

When earthquake coverage is purchased (by separate endorsement), coverage is limited to the Coverage A amount purchased.

This endorsement does not provide replacement cost coverage for Coverage A - Dwelling and Coverage B - Detached Garages for the peril of earthquake.

SAMPLE