



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

M0866D (3-08)

For an additional premium, **your** policy is amended as follows:

Our liability under this provision is subject to the **terms** of How Much We Pay for Loss or Claim in the General Policy Provisions. This endorsement replaces the Replacement Cost terms under HOW MUCH WE PAY FOR LOSS OR CLAIM in the policy.

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, Loss settlement Terms a. - c., and Replacement Cost Terms 1. a. - e. are deleted and replaced by:
 - a. **Replacement Cost**
 - (1) If there is loss to the Coverage A - Residence Dwelling and/or Coverage B - Detached Garage that exceeds the Coverage A - Residence Dwelling limit or Coverage B - Detached Garage limit shown on the declaration and/or endorsement, for the purpose of settling that loss only:
 - (a) The most **we** will pay in any one loss, including Ordinance or Law coverage, is 150% of the Coverage A - Residence Dwelling and the Coverage B - Detached Garage limit shown on the Declaration and/or endorsement.
 - (2) Loss to the Coverage A - Residence Dwelling and Coverage B - Detached Garage will be settled at **replacement cost** without deduction for depreciation. **We** will pay no more than the lesser of the following amounts for like construction and use:
 - (a) The replacement cost of that part of the Coverage A - Residence Dwelling and/or Coverage B - Detached Garage damaged or destroyed;

- (b) The necessary amount actually spent to repair or replace the damaged or destroyed Coverage A - Residence Dwelling and/or Coverage B - Detached Garage; or
- (c) The limit of liability under this policy that applies to the Coverage A - Residence Dwelling and/or Coverage B - Detached Garage.

- b. Coverage provided by this endorsement (subject to a limit) includes additional costs that may result from enforcement of any Ordinance or Law regulating the construction, repair, or demolition of the Coverage A - Residence Dwelling and/or Coverage B - Detached Garage. The Ordinance or Law limit shown on the Declaration page is our maximum limit for both the Coverage A - Residence Dwelling and/or Coverage B - Detached Garages for any one occurrence.
- c. If the Coverage A - Residence Dwelling and/or Coverage B - Detached Garage are 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 on a **replacement cost** basis.

Provisions 2. a. - c. listed in this endorsement apply only if **you** elect to repair or replace the damaged or destroyed residence dwelling building and/or detached garage.

3. **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.
4. 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 cash value of the damaged property before repairs are made. A claim for any additional amount payable under this provision must be made within 180 days after the loss.

5. Section I Exclusion

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

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