

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INCREASED REPLACEMENT COST COVERAGE –
TEXAS
(HIG HO 42 IRC1)**

For an additional premium, and if you have notified us within 90 days of the start of any alterations to the insured building(s), which increase the replacement cost of the building(s) by \$10,000 or more, or if there have been no such alterations, we will increase the Coverage A limit of liability by 25% of the stated limit of the building if the cost to replace the building is more than the limit of liability indicated on the Declarations Page.

Your Homeowners policy is changed as follows:

SECTION I – CONDITIONS

Under **C. Loss Settlement**, item **2.a.** is deleted and replaced by the following:

- a.** If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (1)** For buildings covered under Coverage B, the limit of liability shown on the Declarations Page; for buildings covered under Coverage A, the limit of liability shown on the Declarations Page, increased by 25%.
 - (2)** The replacement cost of that part of the building damaged for equivalent construction and use on the same premises.
 - (3)** The amount actually and necessarily spent to repair or replace the damaged building.
- This coverage is intended to protect you from unforeseen increases in construction costs. We will not increase the stated limit to cover loss caused by ordinances or laws that regulate the construction, repair, or demolition of this property.

All other provisions of your policy apply.