REPLACEMENT COST AND LAW AND ORDINANCE COVERAGES

REJECTION OR SELECTION OF IMPORTANT ADDITIONAL COVERAGES

Two types of insurance are now available to you for an additional premium. We are required to notify you every three years of your right to obtain these coverages.

These coverages are:

1. REPLACEMENT COST COVERAGE

   If you select this coverage and your home is damaged or destroyed by a covered loss, the amount of your claim payment will be based on replacement costs of the damaged portions. Depreciation will not be used in determining the amount we will pay. The maximum we will pay for any one loss is the limit shown on your Declarations page. If you elect this coverage, an additional premium of $______________ must be paid.

2. REPLACEMENT COST COVERAGE AND LAW AND ORDINANCE COVERAGE

   If you select this combination of coverages, you will get Replacement Cost Coverage as described in 1. above. You will also get coverage that will pay for repairs and replacements that are necessary due to existing laws and ordinances that apply to repair and replacement. This coverage will increase the policy limits on the physical structure of your home up to _______%*. If you elect this coverage, an additional premium of $______________ must be paid.

   * Insurance company must fill in this blank - can not be less than 25%

_________ I hereby select Building Replacement Cost Coverage and Law and Ordinance Coverage.

_________ I hereby select Building Replacement Cost Coverage only.

_________ I hereby reject both Building Replacement Cost Coverage and Law and Ordinance Coverage.

Applicant’s Signature _______________________________ Date ________________