



## DEFERRED LOSS SETTLEMENT CLAUSE

This applies only to a property for which "Deferred Loss Settlement Clause - X577" is shown on the Coverage Summary page. If there is loss or damage to the property by an insured peril, the basis of claim payment will be as follows:

1. We will not pay more than 50% of the amount we would otherwise pay if this clause had not been in effect;
2. If you repair or replace the damaged or destroyed property within nine months of the date of the loss and, if replacement is necessary, you replace the property on the same site or within 300 feet (90 meters) with property designed for the same purpose for which the destroyed property was originally intended, we will, upon receipt of satisfactory evidence of the amount you have paid for repair or replacement, pay the remaining amount of the loss in accordance with the terms and conditions of this policy;
3. If you do not repair or replace the property within the requirements of paragraph 2 above, the reduced payment you receive under the provisions of paragraph 1 shall constitute full and final settlement of the loss. We will then refund one-half the annual premium you paid us for the insurance on the property, if you request us to do so;
4. If you have other insurance on the property, we will pay our rateable proportion of the loss, subject to the terms and conditions of this clause.

We do not pay for any loss, expense or increased cost of repair or replacement due to the operation of any law or ordinance regulating zoning, demolition, repair or construction of property and their related services.