

### **Increased Costs of Construction and Demolition Clause**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the Policy extends to cover:

- Loss occasioned by the enforcement of any laws(s) or ordinance(s) regulating the construction, repair or use of building(s) or structure(s) and in force at the time such loss occurs which requires the demolition of any portion of the building(s) or structure(s) which have not suffered damage from the same loss occurrence under this Policy (all locations).
- The cost incurred in actually rebuilding both the damaged and demolished portions of the building(s) or structure(s) with materials and in a manner to fully satisfy such ordinance(s) or law(s).

The total liability under this clause shall not exceed actual expenditure incurred in demolishing the undamaged portion of the building(s) or structure(s) involved plus the lesser of the following:

1. The actual expenditure incurred not including the cost of land in rebuilding on another site, or
2. The cost of rebuilding on the same site.

The Company shall not be liable for any cost of demolition or increased cost of construction of property necessitated by any law or ordinance regulating any form of pollution or contamination.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.