

STERLING LOSS SETTLEMENT ENHANCEMENT
Rev. 11-05

**Section One: Property Insurance
Loss Settlement Conditions**

D: Loss Settlement: Enhancement Loss Settlement

Building:

If the payment basis is Enhancement Loss Settlement replacement cost, we will pay the reconstruction cost of:

- Your house up to the amount of coverage shown in Your Coverage and Premium Summary; and
- Other permanent structures up to the amount of coverage for other permanent structures,

Whether or not you actually repair, replace or rebuild.

Enhancement Loss Settlement replacement cost is provided on the condition that you maintain at least 90% of the full amount of coverage we recommend for your house, including any adjustments by us based on appraisals, re-evaluation, and annual adjustments for inflation

If you have a covered partial loss to your house or any other permanent structure and do not begin to repair, replace, or rebuilding the lost or damaged property within 180 days from the date of loss, we will pay the reconstruction cost less depreciation

Personal Property

If the payment is Enhancement Loss Settlement replacement cost, we will pay the full cost to replace the contents without deduction for depreciation, or the amount required to repair the damage, whichever is less, up to the amount of coverage

However, for contents which are obsolete or unusable for the purpose for which they are originally intended because of their age or condition, the payment basis will be actual cash value.