



**LOUISIANA HOMEOWNERS SUPPLEMENT  
LOSS SETTLEMENT - FOR USE WITH HO 2 & 3**

PRODUCER     CODE: AGENCY CUSTOMER ID	APPLICANT'S NAME AND MAILING ADDRESS (Include county & ZIP)		FEIN OR SOCIAL SECURITY #		
	COMPANY		ACCOUNT NUMBER		
	SUBCODE:		POLICY NUMBER	<input type="checkbox"/> NEW <input type="checkbox"/> RNWL	EFFECTIVE DATE

I acknowledge that in accordance with Act 850 of 1991 enacting R.S. 22:695 the insurance policy for which I have made application contains the following provisions and method of loss computation:

**SECTION I - CONDITIONS**

**3. Loss Settlement.** Covered property losses are settled as follows:

- a. Property of the following type:
  - (1) Personal property;
  - (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
  - (3) Structures that are not buildings;  
at actual cash value at the time of loss but not more than the amount required to repair or replace.
- b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
  - (1) 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:
    - (a) The limit of liability under this policy that applies to the building;
    - (b) The replacement cost of that part of the building damaged for like construction and use on the same premises; or
    - (c) The necessary amount actually spent to repair or replace the damaged building.
  - (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
    - (a) The actual cash value of that part of the building damaged; or
    - (b) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
  - (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
    - (a) Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
    - (b) Those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
    - (c) Underground flues, pipes, wiring and drains.
  - (4) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of b.(1) and b.(2) above. However, if the cost to repair or replace the damage is both:
    - (a) Less than 5% of the amount of insurance in this policy on the building; and
    - (b) Less than \$2500;
 we will settle the loss according to the provisions of b.(1) and b.(2) above whether or not actual repair or replacement is complete.
  - (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim within 180 days after loss for any additional liability according to the provisions of this Condition 3. Loss Settlement.

Applicant's Signature \_\_\_\_\_

Date \_\_\_\_\_

Producer's Signature \_\_\_\_\_

Date \_\_\_\_\_