

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DIRECT REPAIR DEDUCTIBLE SAVINGS PROGRAM ENDORSEMENT

This endorsement changes coverage provided by the following:

HO SW 18 REASONABLE EMERGENCY MEASURES AND DUTIES AFTER LOSS

HO SW 01 09 SPECIAL PROVISIONS – FLORIDA

HO 00 03 05 11 HOMEOWNERS 3 – SPECIAL FORM

THE PROGRAM DESCRIBED IN THIS ENDORSEMENT ALLOWS US AT OUR OPTION,
AND WITH YOUR CONSENT, TO SELECT A “PREQUALIFIED VENDOR” TO MAKE
COVERED REPAIRS TO YOUR DWELLING OR OTHER STRUCTURES.

AGREEMENT

You agree that in the event of a covered loss to your dwelling or other structures on the “residence premises,” other than a hurricane loss or sinkhole loss we, at our option, and with your consent, may select a “Prequalified Vendor” to make covered repairs to your dwelling and other structures, covered under **COVERAGE A** or **COVERAGE B** when damage or loss results from a covered peril.

If we so elect to repair your covered property, a deductible credit equal to 10% of your All Other Perils deductible stated in the Declarations will be applied to reduce your deductible obligation at loss settlement. The credit will apply to reduce your deductible obligation at loss settlement only when the amount of a covered loss exceeds the applicable deductible. This credit is subject to a maximum of \$2,000. This credit does not reduce the applicable deductible under the Policy.

In addition, the following provisions of the policy and its endorsements where applicable, are changed:

The following is added:

In the event of a direct physical loss to property covered under Coverage A or Coverage B located on the “residence premises”, we will at our option and with your consent provide you an estimate of covered loss and a “Prequalified Vendor” to repair, replace or rebuild the damaged property as shown in the estimate of covered loss, as provided under this endorsement and your Policy.

Your consent provided on or after reporting a claim of loss or damage and the provisions of this endorsement are only for that reported claim of loss or damage. The provisions of this endorsement do not apply to any subsequent claim of loss or damage unless we exercise our option to utilize the Program

and you provide another consent as described above.

1. The Program will include an original estimate of covered loss we or the “Prequalified Vendor” provide as described above and as necessary, a revised estimate(s) describing any additional covered loss or damages discovered during the repair, replacement or rebuilding of property covered under Coverage A or Coverage B that are not included in the original estimate of covered loss. Together, they are your estimate of covered loss.
2. Regarding covered loss or damage to property covered under Coverage A or Coverage B, the following applies:
 - a. As a participant in the Program under this endorsement, you will enter directly into a contract with the “Prequalified Vendor” for the repairs, replacement or rebuilding of the damaged property covered under Coverage A or Coverage B included in the estimate of covered loss that we or the “Prequalified Vendor” provide you under this endorsement.
 - b. Payment under the contract described in paragraph 2.a. above will be made to the “Prequalified Vendor” as described in SECTION I – CONDITIONS, J. Loss Payment, for the repairs, replacement or rebuilding of damaged property covered under Coverage A or Coverage B in the estimate of covered loss, less any applicable deductible.

DEFINITIONS

The following is added:

“Prequalified Vendor” means a person, entity, or company, including their employees, agents, representatives and general or specialty contractors who is a member of the network engaged by us to repair or replace damaged property.

SECTION I – PROPERTY COVERAGES

E. ADDITIONAL COVERAGES

The following is added to **2. Reasonable Emergency Measures (Form HO SW 18)**:

- f. If a peril causing a loss and related damage are covered and repairs are necessary to protect covered property from further damage, you must notify us before authorizing or commencing repairs so we, at our option and with your consent, may select a “Prequalified Vendor” to make the covered repairs.

If you do not so notify us and use someone other than a “Prequalified Vendor”, the deductible credit will not apply and our obligation for repairs made to protect the covered property from further damage is limited to the lesser of the following:

 - (1) The amount in paragraph a. under 2. Reasonable Emergency Measures; or
 - (2) The amount we would have paid to a “Prequalified Vendor” selected by us for necessary repairs made solely to protect the covered property from further damage.

SECTION I – CONDITIONS

C. Duties After Loss

Under **C. Duties After Loss (Form HO SW 18)**, the following is added under paragraph 5.:

- c. If repairs to the property are required, or if the services of a “Prequalified Vendor” are required to protect the property from further damage, you must notify us before authorizing or commencing the repairs or the services so we, at our option, and with your consent, may select a “Prequalified Vendor” to make covered repairs or perform the services.

If you do not notify us prior to authorizing or commencing the repairs or services and allow us at our option, and with your consent, to select a “Prequalified Vendor” for the repairs or services, the deductible credit will not apply and our obligation for the repairs or services is limited to the lesser of the following:

- i. The reasonable cost you incur for necessary repairs or for services solely to protect covered property from further damage; or
- ii. The amount we would have paid to a “Prequalified Vendor” selected by us for necessary repairs or for services solely to protect covered property from further damage.

The following is added to **C. Duties After Loss (Form HO SW 18)**:

11. You must permit us to take samples of the damaged and undamaged property for inspection, testing and analysis.
12. If we elect to make repairs under this policy, or our “Prequalified Vendor” has made repairs to your property pursuant to the Program under this endorsement, you must notify us in writing if you dispute any part of the repair and:
 - a. Allow us to re-inspect your property; and
 - b. Allow us to make any further repairs to be specifically agreed upon with us, in writing.
13. You must provide access to the property and execute any necessary municipal, county or other governmental documentation or permits for repairs to be undertaken.
14. You must execute all work authorizations to allow our “Prequalified Vendors” and related parties entry to the property.
15. You must otherwise cooperate with repairs to the property.

F. Mediation Or Appraisal

Paragraph 2. (Form **HO SW 01 09**) is deleted and replaced by the following:

2. If you and we fail to agree on the amount of loss, either party may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the “residence premises” is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If you and we fail to agree on the amount of covered loss which includes scope of damages:

- a. Our payment obligation under any appraisal award is the cost determined by the "Prequalified Vendor" in the revised estimate of loss prepared by the "Prequalified Vendor" in response to the Appraisal award; and
- b. You or we must first give the other an opportunity to seek resolution through Appraisal before a suit may be filed related to this endorsement.

I. Our Option

The following Paragraph **I. Our Option** (Form **HO SW 01 09**) is deleted and replaced by the following:

I. Our Option

1. Your consent to participate in the Program under this endorsement constitutes, for the loss or damage you have reported to us, your waiver of our requirement to provide you written notice within 30 days after we receive your signed, sworn proof of loss.
2. Our right to repair or replace, and our decision to do so, is a material part of this contract and under no circumstances relieves you or us of our mutual duties and obligations under this contract. Any contract entered between you and our "Prequalified Vendor" to perform repairs or services for any loss attributed to a covered peril shall not interfere with this right.

J. Loss Payment

The following is added to paragraph **J. Loss Payment** (Form **HO SW 01 09**):

4. We will make payment directly to the "Prequalified Vendor" designated by us, less the amount of your deductible as reduced by any applicable deductible credit; or
5. If you choose not to use our "Prequalified Vendor" to perform the covered repairs, we will pay you the same amount the "Prequalified Vendor" under this endorsement would have received less any applicable deductible as final payment for the loss.
6. You will be responsible for paying to the "Prequalified Vendor" the amount of your deductible less any applicable deductible credit.

WITHDRAWAL

1. If you have consented to participate, you may withdraw your consent by notifying us any time prior to you signing any contract(s) or authorization(s) provided by the "Prequalified Vendor" to make covered repairs under this endorsement; or
2. If you or your representative notify us or the "Prequalified Vendor" to stop making covered repairs, or you or your representative prevent the "Prequalified Vendor" from making covered repairs, this constitutes withdrawal of your consent to the services provided under this endorsement.
3. Upon the withdrawal of your consent, this endorsement no longer applies and all other provisions of your Policy apply.

All other provisions of this policy apply.