

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Subject: Important Recommendation Regarding Ordinance or Law Coverage

Dear [Client Name],

During a recent review of your commercial property insurance policy for the property located at [Property Address], I noted that your current policy may not fully protect you against costs associated with local building codes and ordinances.

Standard property policies typically cover the cost to repair a building as it existed prior to a loss. However, they often exclude the significant additional expenses required to bring a damaged building up to current building codes. If your building is older, these costs can be substantial.

I strongly recommend adding an **Ordinance or Law Coverage Endorsement**. This endorsement provides three critical protections:

- **Coverage A (Loss to the Undamaged Portion):** Covers the value of the part of the building that was not damaged but must be demolished by law.
- **Coverage B (Demolition Cost):** Covers the cost to demolish and clear the site of the undamaged portions of the structure.
- **Coverage C (Increased Cost of Construction):** Covers the extra expenses incurred to repair or rebuild the structure so that it complies with current building, zoning, or land use laws.

Without this coverage, you may be required to pay out-of-pocket for these mandatory upgrades during the rebuilding process.

Please contact me at [Phone Number] or [Email Address] to discuss the specific limits and pricing for this coverage. I would like to ensure your assets are fully protected against these unforeseen regulatory costs.

Sincerely,

[Your Name]

[Your Title]

[Agency Name]