

**Date:** [Insert Date]

**Policyholder Name:** [Insert Name]

**Policy Number:** [Insert Policy Number]

**Property Address:** [Insert Property Address]

# IMPORTANT NOTICE: BUILDING ORDINANCE OR LAW COVERAGE

Dear Policyholder,

This letter serves as an important notice regarding **Building Ordinance or Law Coverage** and how it affects your property insurance policy. Please review this information carefully as it impacts your recovery in the event of a covered loss.

## **What is Building Ordinance or Law Coverage?**

Most standard property insurance policies only cover the cost to repair or replace damaged property with materials of like kind and quality. However, local building codes and ordinances often change over time. If your building is damaged, current laws may require you to upgrade your electrical, plumbing, or structural systems during the repair process.

Without this endorsement, your policy may not cover the additional expenses required to comply with these updated building codes.

## **The Three Parts of this Coverage:**

- **Loss to the Undamaged Portion of the Building:** Covers the value of the portion of the building that remains standing but must be demolished due to local building ordinances.
- **Demolition Cost:** Covers the cost to demolish and clear the site of the undamaged portion of the structure.
- **Increased Cost of Construction:** Covers the extra expenses incurred to repair or rebuild the property to meet current building codes and land use requirements.

## **Action Required:**

Please review your current Policy Declarations page to see if you have this coverage and if the limits are sufficient for today's construction standards. If "Ordinance or Law" is not listed, you may be responsible for significant out-of-pocket costs following a claim.

If you would like to add this coverage, increase your limits, or have any questions regarding your policy, please contact your insurance agent at [Insert Phone Number] or via email at [Insert Email Address].

Sincerely,

[Insert Name/Signature]  
[Insert Company Name]  
[Insert Contact Information]