

[Company Name]
[Address]
[City, State, Zip Code]
[Date]

[Policyholder Name]
[Address]
[City, State, Zip Code]

RE: Important Notice Regarding Your Homeowners Insurance Policy

Policy Number: [Policy Number]

Dear [Policyholder Name],

This letter is to inform you about an important coverage option available for your homeowners insurance policy known as **Building Ordinance or Law Coverage**.

In the event of a covered loss, standard homeowners policies typically pay to repair or replace your home as it existed prior to the damage. However, local building codes and ordinances often change over time. If your home is damaged, current laws may require you to upgrade your electrical, plumbing, or structural systems during the rebuilding process.

What this endorsement covers:

- The increased cost to repair or rebuild the property in compliance with current building ordinances or laws.
- The cost to demolish and clear the site of undamaged portions of the property if required by local building codes.
- The loss in value of an undamaged portion of the building that must be demolished.

Without this endorsement, you may be responsible for paying these additional "code upgrade" costs out of your own pocket. These expenses can be significant, especially for older homes.

Your Action Required:

Please review your current policy limits. If you wish to add this coverage or increase your existing limits, please contact your agent at [Agent Phone Number] or return the enclosed form by [Date].

Sincerely,

[Name/Signature]
[Title]
[Company Name]