

**CONTINGENT LIABILITY FROM ENFORCEMENT OF BUILDING BY-LAWS:
INCREASE IN COST OF CONSTRUCTION – E33**

1. In consideration of the additional premium and subject to the terms, conditions and limitations of the Policy including endorsements thereon, a separate amount of insurance as stated in the Declarations is provided applicable only to any increase in the cost of repairing, replacing, constructing or reconstructing the buildings or structures on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy, where such increase in cost arises out of loss, destruction or damage by a peril insured against under the Policy and is occasioned by the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which regulates zoning or the demolition, repair or construction of damaged buildings or structures and which is in force at the time of such loss, destruction or damage.
2. The Insurer shall not be liable under this endorsement for:
 - (a) any loss occasioned by the enforcement of any by-law, regulation, ordinance or law which
 - (i) regulates zoning or the demolition, repair or construction of damaged buildings or structures;
 - (ii) is in force at the time of loss, destruction or damage by a peril insured against under the Policy; and
 - (iii) prohibits the Insured from rebuilding on the same site or on an adjacent site or prohibits continuance of like occupancy;
 - (b) the cost of demolishing any portion of the buildings or structures;
 - (c) any loss by reason of any increase in cost of repair, replacement, construction or reconstruction unless and until there is actual repair, replacement, construction or reconstruction by the Insured of the damaged or destroyed buildings or structures on the same site or on an adjacent site with due diligence and dispatch;
 - (d) more than the amount actually and necessarily expended in repairing, replacing, constructing or reconstructing as above provided, in excess of the loss which would have existed without this endorsement;
 - (e) more than the amount, insured under this endorsement, which is in excess of the cost of repairing, replacing, constructing or reconstructing (whichever is the least), the buildings or structures, with materials of like kind and quality on the same site or on an adjacent site, without deduction for depreciation;
 - (f) more than the amount of insurance specified in this endorsement, irrespective of the number of items insured;
 - (g) any greater proportion of any loss than that which the amount insured under this endorsement bears to the amount arrived at by applying the percentage stipulated in the co-insurance clause in the Policy to the increase in cost, being the difference between
 - (i) the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the buildings or structures on the same site or on an adjacent site with materials of like kind and quality and without deduction for depreciation; and
 - (ii) the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the buildings or structures on the same site or on an adjacent site, of like height, floor area and style and for like occupancy, but within the minimum requirements of any by-law, regulation, ordinance or law which regulates zoning or the demolition, repair or construction of damaged buildings or structures and which is in force at the time of loss, destruction or damage by a peril insured against under the Policybut in any event, where there is other insurance involved, the Insurer shall not be liable for any greater proportion than that which the amount insured under this endorsement bears to the total amount of insurance covering increase in the cost of repairing, replacing, constructing or reconstructing the buildings or structures.
 - (h) direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization or remediation resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”; or
 - (i) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”.
3. If the Policy insures two or more items, the foregoing shall apply separately to each item to which this endorsement applies.