



POLICYHOLDER DISCLOSURE NOTICE
(Capped *Residence* Special Loss Settlement Endorsement)

Your current policy includes an important coverage change. Please review this important notice and retain it with *your* insurance policy.

This disclosure notice is not a contract of insurance. It is intended to provide information on form ML-24A (3/96), which is now a part of *your* policy. It is recommended that *you* review *your* policy carefully to determine *your* duties, rights and obligations. This information is intended to assist *you* in the review of *your* prior and current policy. If there are conflicts between this Disclosure Notice and *your* policy, the provisions of the policy shall prevail.

In the event of a covered loss, the addition of form ML-24A (3/96) allows the company to fix their maximum liability for the replacement cost of the *residence*, or any part of it, at 125% of the Coverage A amount of insurance. Although this endorsement may restrict the amount of potential recovery in those rare severe loss circumstances, it does enable *your* company to better serve *our* joint interests by making losses subject to a finite dollar amount.