

What is Ordinance or Law Coverage in my Homeowners Policy?

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Ordinance or Law Coverage provides for the additional cost to bring a building up to current building codes when significant repairs are needed.

- [Homeowners Insurance](#)

Did you know that after experiencing a homeowners loss, rebuilding your home to meet current codes or demolishing what is left of it might increase your costs up to 50 percent? Florida and South Carolina communities have laws or building codes that greatly affect the reconstruction of damaged homes. These building codes change over time and they rarely become less demanding. If a windstorm or other loss event damages your home, these local ordinances may increase the cost to repair, demolish or rebuild your home and add to your out-of-pocket costs. Ordinance or Law Coverage can help protect you from increased costs due to these regulations.

Most homeowners policies will limit the amount of coverage for the following additional increased costs caused by adherence to current ordinance or law.

- The construction, demolition, remodeling, renovation or repair of a building or other structure
- The demolition or reconstruction of the undamaged portion of a covered building or other structure
- The remodeling, removal or replacement of the portion of the undamaged part of a building or other structure needed to complete your repair

Here is an example of how the Ordinance or Law Coverage applies. Your home sustains damage to the roof when your Grand Oak tree falls into your living room during a windstorm. Roof repairs will probably now require costlier shingle replacement and minimally, hurricane roof straps or specific size roof nails. These additional and more expensive items will add significant costs to your repair bill. Ordinance or Law Coverage pays for those costs, which insurance carriers would otherwise consider an improvement to your property absent the coverage. Without this important endorsement, you must pay the additional costs. Add these costs to your deductible and you can see why this coverage can be so critical to your budget.

As the body of safety research grows, building codes reflect that new knowledge of how to make property safer and better able to withstand wind and other natural forces. Therefore, the older your home, the more susceptible it is to code upgrades after a loss. For example, a home built in 1995 would have had much less stringent local building codes governing your electrical, plumbing or roof systems. To bring a 1995 home up to today's standards would cost much more than simply repairing the damage.

Ordinance or Law Coverage applies whether you suffer a partial or total loss to the structure. This valuable coverage can save you thousands of dollars in upgrades you would otherwise pay out of pocket. Depending on the state where your home is located, you can select Ordinance or Law limits of 10, 25 or 50 percent of your Coverage A Dwelling limit. For example, if the Dwelling amount on your home is \$300,000 the 10% option will allow up to \$30,000 in upgrades due to building code requirements; the 25% option will allow up to \$75,000; and the 50% limit will allow for up to \$150,000.