

COST OF MAKING GOOD – IMPROVEMENT DEFECTS EXCLUSION (LEG 3)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that **exclusion 2.3. Defects** of the **EXCLUSIONS** Section of the Contract Works – Builders Risk Form is deleted and replaced by the following:

This Form does not insure against costs, and direct physical loss or direct physical damage caused directly or indirectly:

2.3. Cost of Making Good – Improvement Defects

2.3.1. and as rendered necessary by defects of design, plan, specification, material or workmanship; however, should loss or damage (which for the purposes of this exclusion shall include any patent detrimental change in the physical condition of the insured property) occur to any portion of the insured property containing any of the said defects, the deductible specified on the Declaration Page(s) shall apply;

2.3.2. to improve the original design, plan, specification, material or workmanship when replacement or rectification from lost or damaged insured property is required.

For the purpose of this Form and not merely this exclusion it is understood and agreed that any portion of the insured property shall not be regarded as damaged solely by virtue of the existence of any defect of design, plan, specification, material or workmanship.

All other terms, conditions and limitations of this Policy shall remain unchanged.