

MARKET VALUATION/REPLACEMENT COST PROVISIONS

The coverage under this endorsement is subject to the **terms** contained in the Declarations, General Policy Provisions and Cause of Loss Coverage Sections of the policy. Refer to the other applicable sections of the policy if information is not shown on this form.

WHAT WE PAY FOR

We pay up to the limits of insurance shown on the Declarations Page for covered loss to **your** Coverage A-**Residence** and Coverage B-Related Private Structures on the Premises.

Any reference to coverage under the Replacement Cost Provision section of the Causes of Loss form of the policy, or elsewhere in the policy is deleted and replaced by the Market Valuation/Replacement Cost Provisions stated in this form for the settlement of losses to **your** Coverage A-**Residence** and Coverage B-Related Private Structures on the Premises.

(**Our** liability under this provision is subject to the **terms** of **HOW MUCH WE PAY FOR LOSS OR CLAIM** in the General Policy Provisions.)

1. This provision applies only to covered buildings, including additions and built-in components and fixtures, covered under Coverage A-**Residence** and Coverage B-Related Private Structures on the Premises. The building must have a permanent foundation and roof. This provision does not apply to:
 - a. domestic appliances;
 - b. curtains and drapes;
 - c. detachable building items including screens, awnings, storm doors and windows, and window air conditioners; or
 - d. outdoor structures (other than buildings) which are not permanent components or fixtures of a building. These include (but are not limited to) swimming pools, fences, paved areas, submersible pumps and sump pumps.
2. If the amount of insurance on the damaged building is less than 30 percent of its replacement cost at the time of loss, **we** pay the lesser of the following amounts (in excess of the deductible):
 - a. actual cash value of the damaged part of the building; or
 - b. actual market value of the property immediately before the loss.
3. If the policy indicates that Residence Replacement Cost Coverage applies (see Declarations Page or Endorsement) and the amount of insurance on the damaged building is at least 30 percent of its replacement cost at the time of loss, **we** pay the full cost of repair or replacement of the damaged part without deduction for depreciation.

We pay the lesser of the following amounts:

 - a. the amount of insurance applicable to the building;
 - b. the cost (in excess of the deductible) to repair or replace the damage on the same premises using materials of equivalent kind and quality, to the extent practicable; or
 - c. the amount (in excess of the deductible) actually and necessarily spent to replace or repair the damage.
4. When the cost to repair or replace exceeds the lesser of \$1,000 or 5 percent of the applicable amount of insurance on the damaged building, **we** are not liable for more than the actual cash value of the loss until actual repair or replacement is completed.
5. **You** may make a claim for the actual cash value amount of the loss before repairs are made. A claim for any additional amount payable under this provision must be made within 180 days after the loss.

All other **terms** and conditions remain unchanged.