

## MARKET VALUATION/*REPLACEMENT COST* PROVISION

Refer to the Supplemental Declarations if information is not shown on this form.

The coverage under this endorsement is subject to the **terms** contained in the General Policy Provisions.

### SCHEDULE

Loc. No.	Bldg. No.	Building	Description Of Location	Limit Of Insurance
-------------	--------------	----------	-------------------------	-----------------------

### DEFINITIONS

The following definition applies to this policy form:

1. **Replacement cost** means the cost at the time of loss to replace the damaged, destroyed or stolen property with new articles of like kind and quality. **Replacement cost** does not apply to **stock**, merchandise, articles that are outdated or obsolete and to articles being stored or not being used. Loss or damage to any covered property excepted from **replacement cost** coverage will be settled on an actual cash value basis.

### HOW MUCH *WE* PAY FOR LOSS OR CLAIM

*We* agree to pay up to the Limit Of Insurance for the settlement of losses to the Building(s) shown in the Schedule in accordance with the following provisions of this Market Valuation/**Replacement Cost** Provision endorsement:

1. If the Limit Of Insurance on the damaged property is at least 30% of its **replacement cost** at the time of loss, *we* pay the full cost of repair or replacement of the damaged property, up to the Limit Of Insurance, without deduction for depreciation.
2. If the Limit Of Insurance on the damaged property is less than 30% of its **replacement cost** at the time of loss, *we* will pay the lesser of the following:
  - a. The actual cash value of the property at the time of loss including an appropriate deduction for depreciation;
  - b. The applicable Limit Of Insurance;
  - c. The amount of *your* interest in the property;
  - d. The cost of repairing, using generally accepted repair practices and materials that are in current usage or replacing the property, with materials of equivalent kind and quality to the extent practicable;
  - e. The amount computed after applying the deductible or other limitation applicable to the loss;
  - f. (Applies to mobile homes only at *your* option) the amount equal to the difference between the actual cash value of the property immediately before the loss and its actual cash value immediately after the loss; or
  - g. Actual market value of the property immediately before the loss.
3. *Our* liability for loss on a **replacement cost** basis, shall not exceed the smallest of the following amounts:
  - a. The amount of this policy applicable to the damaged or destroyed property;
  - b. The **replacement cost** of the property or any part thereof identical with such property on the same premises and intended for the same occupancy and use; or
  - c. The amount actually and necessarily expended in repairing or replacing said property or any part thereof.
4. The **Replacement Cost** Provision does not apply until the damaged or destroyed property is repaired or replaced. However, *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 **Replacement Cost** Provision must be made in writing within 6 months after the loss.

5. If the loss on a **replacement cost** basis is less than \$1000 or less than 5% of the applicable Limit Of Insurance, then the loss will be paid in full.
6. If this policy provides more than one Limit Of Insurance on **your** property, these provisions apply separately to the property covered by each limit.
7. Coinsurance  
Any reference to Coinsurance under How Much **We** Pay For Loss Or Claim, or elsewhere in the policy, is not applicable and does not apply to the settlement of losses to the Building(s) shown in the Schedule.
8. Replacement Cost Provision  
Any reference to Replacement Cost under How Much **We** Pay For Loss Or Claim, or elsewhere in the policy, is not applicable and does not apply to the settlement of losses to the Building(s) shown in the Schedule.

#### **WHAT WE DO NOT PAY FOR**

1. This provision does not apply to:
  - a. Any property coverages not shown in the Schedule as Building(s); or
  - b. Any other Building(s) that is limited or excluded from coverage.
2. Under this provision **we** do not cover the following for **replacement cost**:
  - a. Awnings, canopies or their supports;
  - b. Carpeting, cloth awnings and outdoor equipment, all whether permanently attached to the building structure or not;
  - c. Domestic appliances;
  - d. Fire extinguishing apparatus;
  - e. Floor coverings;
  - f. Mobile homes whether or not on a permanent foundation;
  - g. Outdoor equipment, whether permanently attached to the building or not;
  - h. Permanent fixtures, machinery and equipment forming a part of and pertaining to the services of the building;
  - i. Personal property of the **insured** as landlord used for maintenance or service of the building; or
  - j. Shades and outdoor furniture.

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