



## REPLACEMENT COST

Refer to the Declarations if information is not shown on this form.  
The coverage under this endorsement is subject to the *terms* contained in *your* policy.

### SCHEDULE

Location Number	Building Number	Specify Coverage A-Building or Coverage B- <i>Business</i> Property or Both
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#### Items deleted from What We Do Not Pay For

### DEFINITIONS

The following definitions apply to this policy form:

1. **Fine arts** means paintings, etchings, print reproductions, sculptures, statuary, marbles, bronzes, tapestries, antique furniture, rare books, rare glassware, porcelains, collectibles or other items of art rarity or antiquity.
2. **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.

### WHAT WE PAY FOR

For the property described in the Schedule as being covered on a **replacement cost** basis, the following provisions apply:

1. If the amount of insurance on the damaged property is at least 80% 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 amount of insurance, without deduction for depreciation.
2. If the amount of insurance on the damaged property is less than 80% of its **replacement cost** at the time of loss, **we** will pay the greater of the following:
  - a. The actual cash value of the damaged property subject to any applicable Coinsurance provision included in this policy; or
  - b. That proportion of the **replacement cost** of the damaged part of the property which the amount of insurance bears to 80% of the **replacement cost** of the property.
3. **Our** liability for loss on a **replacement cost** basis will 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 that is 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 the property or any part of the property.

4. **Replacement Cost** 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 **Replacement Cost** must be made in writing within 180 days after the loss.
5. If the loss on a **replacement cost** basis is less than \$1,000 or less than 5% of the applicable amount of insurance, then the loss will be paid in full.
6. If this policy provides more than one amount of insurance on **your** property, these provisions apply separately to the property covered by each amount of insurance.

## **SPECIAL LIMITATION ON COVERAGE B-BUSINESS PROPERTY**

**We** pay the lesser of the following amounts for each covered item:

1. The applicable amount of insurance;
2. An amount not greater than **your** interest in the property;
3. The **replacement cost** of the property as defined in this endorsement;
4. Four times the actual cash value of the property at the time of loss; or
5. The amount computed after applying the deductible or other limitation applying to the loss.

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

The following are not eligible for **replacement cost** and will be paid on an actual cash value basis:

1. Articles that are outdated, obsolete, in storage or not being used;
2. **Fine arts**;
3. Household furniture or residential contents;
4. Property of others; or
5. **Stock**.

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