



## REPLACEMENT COST PROVISION (Not Applicable to Mobile Homes Whether Or Not On A Permanent Foundation)

The coverage under this endorsement is subject to the *terms* contained in the General Policy Provisions. Refer to the Supplemental Declarations if information is not shown on this form.

### SCHEDULE

Location of Premises  
Location No. Building No.

Property Covered on a  
Replacement Cost Basis  
(Specify Coverage A or  
Coverage B or both).

Items deleted from the  
section entitled WHAT  
WE DO NOT COVER.

Definition of **Replacement Cost-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 **Replacement cost** does not apply to stock, merchandise, articles that are outdated or obsolete and to articles being stored or not being used.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.

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

1. If the limit 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 limit of insurance, without deduction for depreciation.
2. If the limit 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 the provisions of any applicable Coinsurance Clause included in this policy).
  - 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, 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.

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

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

1. the applicable limit 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 COVER**

Under this provision *we* do not cover the following for **replacement cost**:

1. air conditioners;
2. awnings, canopies or their supports;
3. books of account, abstracts, manuscripts, drawings, card index systems and other records (including film, tape, disc, drum, cell and other magnetic recording or storage media);
4. carpeting, cloth awnings and outdoor equipment, all whether permanently attached to the building structure or not;
5. domestic appliances;
6. fences that are not a permanent part of the building;
7. fire extinguishing apparatus;
8. floor coverings;
9. household furniture or residential contents;
10. mobile homes whether or not on a permanent foundation;
11. outdoor equipment, whether permanently attached to the building or not;
12. paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antiques furniture, rare books, antique silver, porcelains, rare glassware and bric-a-brac or other articles of art, rarity or antiquity;
13. permanent fixtures, machinery and equipment forming a part of and pertaining to the services of the building;
14. personal property of the *insured* as landlord used for maintenance or service of the building;
15. property of others;
16. refrigerating, ventilating, cooking, dishwashing or laundering equipment;
17. shades and outdoor furniture; or
18. stock (raw, in process or finished) or merchandise, including materials and supplies in connection therewith.