

## REPLACEMENT COST LOSS SETTLEMENT TERMS PERSONAL PROPERTY

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

1. The Loss Settlement Terms stated in 4. below apply to covered loss to property covered under Coverage C and, if covered by this policy:
  - a. awnings;
  - b. carpeting;
  - c. domestic appliances;
  - d. outdoor antennas; and
  - e. outdoor equipment;whether or not attached to a building.
2. However, with respect to property described in 1. above, the Loss Settlement Terms stated in 4. below do not apply to loss to:
  - a. items of antiquity, art, or rarity that cannot be duplicated;
  - b. memorabilia, souvenirs, collector's items, and similar items whose age or history contribute to their value;
  - c. items not maintained in good or workable condition; or
  - d. items that are outdated or obsolete and are stored or not being used.Property described in a. through d. above is subject to Actual Cash Value Terms.
3. The Loss Settlement Terms stated in 4. below also apply to covered loss to:
  - a. jewelry;
  - b. furs and garments trimmed with fur or consisting principally of fur;
  - c. cameras, projection machines, films, and related items of equipment;
  - d. musical instruments and related items of equipment;
  - e. silverware, goldware, items plated with silver or gold, and pewterware, other than:
    - 1) pens or pencils;
    - 2) flasks;
    - 3) items designed or used for smoking; or
    - 4) jewelry; and
  - f. golf clubs, golf clothing, and golf equipment;if covered under this policy by scheduled insurance and such coverage is not subject to Agreed Value Loss Settlement Terms.
4. With respect to property described in 1. and 3. above and not excluded in 2. above, the following Loss Settlement Terms replace the Loss Settlement Terms that would have applied had this endorsement not been attached to the policy:

**Loss Settlement Terms** -- Subject to the other "terms" shown under How Much We Pay For Loss Or Occurrence and the "terms" of this endorsement, "we" settle losses according to the Replacement Cost Terms. If the Replacement Cost Terms do not apply, "we" settle losses according to the Actual Cash Value Terms.

- 1) **Replacement Cost Terms** -- The smaller of the following amounts is used in applying the "terms" under Our Limit:
- a) the cost, at the time of loss, to replace the property, without deduction for depreciation; or
  - b) the full cost, at the time of loss, to repair the property.

When the total cost to repair or replace all property involved in any one occurrence is more than \$500, "we" do not pay for more than the actual cash value of the loss until actual repair or replacement is completed.

At "your" option, "you" may make a claim under the Actual Cash Value Terms instead of these Replacement Cost Terms. "You" may later make a claim for any additional amount payable under these Replacement Cost Terms, but only if "you" have informed "us", within 180 days after the date of loss, that "you" plan to do so.

- 2) **Actual Cash Value Terms** -- Actual Cash Value includes a deduction for depreciation, however caused.

- a) The Actual Cash Value Terms apply to all property not subject to the Replacement Cost Terms.
- b) The smaller of the following amounts is used in applying the "terms" under Our Limit:

- (1) the cost to repair or replace the property; or
- (2) the actual cash value of the property just before the loss.

5. The "terms" of this endorsement do not increase the "limits" that apply to covered property.

---

HO 0055 01 05