

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT

With respect only to the coverage provided by this endorsement, "your" policy is amended as indicated.

SECTION I – CONDITIONS

Paragraph **C. Loss Settlement** is replaced with the following terms and provisions with respect only to Coverage **C** identified in the Declarations with this form number.

C. Loss Settlement

Loss to the covered personal property will be settled as follows:

1. Personal Property

- a. Personal property other than that described in paragraph **1.b.** will be settled at replacement cost without deduction for depreciation. Payment will not exceed the smallest of the following amounts:

- (1) Replacement cost at the time of the loss;
- (2) The full cost of repair or restoration;
- (3) The limit of liability applying to personal property; or
- (4) Any special limits of liability stated in this policy or by endorsement.

When the cost to repair or replace covered property for which a claim has been submitted is more than \$1,000, "we" will pay no more than the "actual cash value" of the covered property until the actual repair or replacement is completed.

"You" may disregard the replacement cost loss settlement provisions and make a claim for the "actual cash value" of the loss to personal property before repairs are made. A claim for any additional amount payable under this coverage must be made within 180 days after the date of loss.

Missouri Policy Exception – applicable only to policies issued in the state of Missouri:

If "you" fail to notify "us" of "your" intent to make additional claim within the 180 day time frame, such failure will not invalidate the claim unless such failure operates to prejudice "our" rights.

- b. The following personal property will be settled at "actual cash value" at the time of loss:

- (1) Antiques, fine arts, paintings, and similar articles whose age or history contribute to their value;
- (2) Memorabilia, souvenirs, collector items, and similar articles whose age or history contribute to their value;
- (3) Articles not maintained in good or workable condition; and
- (4) Articles that are outdated, obsolete, or in storage.

For these items "we" will not pay more than the smallest of the following amounts:

- (a) The "actual cash value" of the covered property at the time of loss;
- (b) The cost to repair or replace that part of the covered property with property of like kind and quality, less depreciation.

Depreciation means a reduction in value of the covered property as the result of wear and tear, age, or technological or economic obsolescence. Depreciation will not apply to the repair of covered property unless the repair improves or prolongs the useful life or results in an increase in the monetary value of the covered property. Depreciation also applies to labor and materials;

- (c) The limit of liability applicable to the covered personal property; or
- (d) Any special limits of liability stated in the policy or by endorsement.

All other terms and conditions of this policy apply.