

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA REPLACEMENT COST – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT

This endorsement modifies insurance provided under the following:

MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
SCHEDULE

The provisions of this endorsement apply only to an item(s) of "mobile agricultural machinery and equipment" listed below and specifically described on a Schedule Basis in the Declarations of the Mobile Agricultural Machinery And Equipment Coverage Form.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The **Valuation** Loss Condition is replaced by the following:

10. Valuation

- a.** In the event of loss or damage to an item of "mobile agricultural machinery and equipment" listed in the Schedule from any of the Covered Causes Of Loss, we will determine the value of that item on the basis of replacement cost without deduction for depreciation.
- b.** The Limit of Insurance for each scheduled item of "mobile agricultural machinery and equipment" must equal at least 80% of its full replacement cost as of the time of loss or damage.

The most we will pay in any one occurrence is the least of:

- (1)** The amount actually and necessarily spent to repair or replace that item; or

(2) The Limit of Insurance shown in the Declarations for that item.

c. If the Limit of Insurance for any destroyed or damaged scheduled item of "mobile agricultural machinery and equipment" is less than 80% of its full replacement cost as of the time of loss, we will settle on the basis of Paragraph **c.(1)** or **c.(2)**, whichever gives the higher amount:

- (1)** The actual cash value, as of the time of loss, of that item; or
- (2)** A proportion of the cost to repair or replace that item, without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repairing or replacing that item.

However, we will not pay more than the Limit of Insurance applicable to that item.

d. We will not pay on a replacement cost basis for any loss or damage until the lost or damaged scheduled item of "mobile agricultural machinery and equipment" is actually repaired or replaced. Prior to such repair or replacement, we will pay the actual cash value of the lost or damaged scheduled item of "mobile agricultural machinery and equipment" as described in Paragraph f. below. If the actual cash value does not exhaust the applicable Limit of Insurance, we will then pay the difference between the actual cash value and the replacement cost, provided that the repair or replacement is completed:

- (1) Within 12 months after we pay the actual cash value; or
- (2) Within 24 months after we pay the actual cash value if the loss or damage relates to a state of emergency as described in Section 8558 of the Government Code;

unless we have, for good cause, provided you with one or more six month extensions to complete the repair or replacement of the lost or damaged scheduled item of "mobile agricultural machinery and equipment".

Nothing in this Paragraph d. constitutes a waiver of our right to deny the claim for any valid reason or to restrict payment in cases of suspected fraud.

e. For any item of "mobile agricultural machinery and equipment" that you elect not to repair or replace, the value will be the least of the following:

- (1) Actual Cash Value of that item;

- (2) Cost of reasonably restoring that item to its condition immediately before the loss or damage; or
- (3) Cost of replacing that item with a functionally equivalent item.

f. Actual cash value is determined as follows:

In the event of a partial or total loss to any scheduled item of "mobile agricultural machinery and equipment", actual cash value is calculated as Paragraph f.(1) or f.(2), whichever is less:

- (1) The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
- (2) The Limit of Insurance applicable to the property.

B. The following are added to **Property Not Covered**:

- f. All "mobile agricultural machinery and equipment" for which a single Limit of Insurance is shown in the Declarations;
- g. Any item of "mobile agricultural machinery and equipment" that is over 5 model years old;
- h. Any battery, tire, filter, belt, chain or canvas that is part of any item of "mobile agricultural machinery and equipment"; and
- i. Property covered under Paragraph A.5. Coverage Extensions, Item a. Additional Acquired Property – Newly Purchased and Item b. Additional Acquired Property – Replacement.