

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA REPLACEMENT COST – HOUSEHOLD PERSONAL PROPERTY

This endorsement modifies insurance provided under the following:

FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD
PERSONAL PROPERTY COVERAGE FORM

The Valuation Loss Condition in Paragraph **B. Coverage C Conditions** under Coverage **C** – Household Personal Property, is deleted and replaced by the following:

VALUATION

In the event of loss or damage under Coverage **C** we will determine the value of Covered Property on the basis of replacement cost without deduction for depreciation, subject to the following:

- a. We will determine the value of the following kinds of property on the basis of actual cash value as of time of loss up to an amount no greater than the cost to repair or replace:
 - (1) Antiques, fine arts, paintings, and similar irreplaceable rare or antique articles;
 - (2) Memorabilia, souvenirs, collectors' 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 - (4) Articles that are outdated or obsolete and are stored or not used.
- b. The most we will pay in any one occurrence is the least of:
 - (1) The amount actually and necessarily spent to repair or replace the Covered Property;
 - (2) 400% of the actual cash value of the Covered Property as of time of loss; or
 - (3) The applicable special Limit of Insurance shown in Paragraph **A.3.** under Coverage **C** – Household Personal Property.

- c. We will not pay on a replacement cost basis for any loss or damage until the lost or damaged Covered Property is actually repaired or replaced. Prior to such repair or replacement, we will pay the actual cash value of the lost or damaged Covered Property as described in Paragraph **d.** below. If the actual cash value does not exhaust the amount that we will pay as specified in Paragraph **b.**, 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 Covered Property.

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

- d. Actual cash value is determined as follows:

In the event of a partial or total loss to Covered Property, actual cash value is calculated as Paragraph **d.(1)** or **d.(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.