

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA FUNCTIONAL FARM PERSONAL PROPERTY, MACHINERY AND EQUIPMENT VALUATION

This endorsement modifies insurance provided under the following:

FARM PROPERTY – FARM PERSONAL PROPERTY COVERAGE FORM
 FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS,
 DEFINITIONS
 MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

SCHEDULE

"Insured Location" No.	Description Of Farm Personal Property, Machinery And Equipment	Limit Of Insurance

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

- A.** The Limit of Insurance shown in the above Schedule is the only Limit of Insurance applicable to the item(s) of farm personal property, machinery and equipment described in the above Schedule.
- B.** With respect to the item(s) of farm personal property, machinery and equipment described in the above Schedule, the applicable Valuation Loss Condition in the Farm Property – Farm Personal Property Coverage Form and Mobile Agricultural Machinery And Equipment Coverage Form, is replaced by the following:
 - 1.** If you contract for repair or replacement of the loss or damage to restore the item(s) of farm personal property, machinery and equipment shown in the above Schedule for the same use, we will pay the smallest of the following:
 - a.** The Limit of Insurance shown in the above Schedule as applicable to the lost or damaged item(s) of farm personal property, machinery and equipment;
 - b.** The cost to replace, on the same site, the lost or damaged item(s) of farm personal property, machinery and equipment with the most closely equivalent property available; or
 - c.** The amount you actually spend that is necessary to repair or replace the lost or damaged item(s) of farm personal property, machinery and equipment.
 - 2.** If you do not make a claim under Paragraph 1., we will pay the smallest of the following:
 - a.** The Limit of Insurance shown in the above Schedule as applicable to the lost or damaged item(s) of farm personal property, machinery and equipment;
 - b.** The "market value" of the lost or damaged item(s) of farm personal property, machinery and equipment at the time of loss; or
 - c.** The amount it would cost to repair or replace that part of the item(s) of farm personal property, machinery and equipment that is lost or damaged with material of like kind and quality less allowance for physical deterioration and depreciation.

3. However, we will not pay the cost to repair or replace the lost or damaged item(s) of farm personal property, machinery and equipment with its functional equivalent, in accordance with Paragraph **B.1.** of this endorsement, until the lost or damaged item(s) of farm personal property, 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 item(s) of farm personal property, machinery and equipment as described in Paragraph **B.4.** of this endorsement. 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 value established in accordance with Paragraph **B.1.** of this endorsement, provided that the repair or replacement is completed:

- a.** Within 12 months after we pay the actual cash value; or
- b.** 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 item(s) of farm personal property, machinery and equipment.

Nothing in this Paragraph **3.** constitutes a waiver of our right to deny the claim for any valid reason or to restrict payment in cases of suspected fraud.

4. Actual cash value is determined as follows:

In the event of a partial or total loss to item(s) of farm personal property, machinery and equipment, actual cash value is calculated as Paragraph **4.a.** or **4.b.**, whichever is less:

- a.** 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
 - b.** The Limit of Insurance applicable to the property.
- C.** The following Definition is added to the Definitions in Paragraph **C.** of the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and Paragraph **F.** of the Mobile Agricultural Machinery And Equipment Coverage Form:

"Market Value", as used in this endorsement, means the price which the property might be expected to realize if offered for sale in a fair market.