

## **REPLACEMENT COST ENDORSEMENT (BROAD FORM)**

Attached to and forming part of this Policy

The Insurer agrees to amend the basis of settlement from actual cash value to replacement cost subject to the following provisions:

- (a) replacement shall be effected by the Insured with due diligence and dispatch;
- (b) replacement shall be on the same site or an adjacent site;
- (c) settlement on a replacement cost basis shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement;
- (d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this coverage had not been in effect;
- (e) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Form on the property to which this coverage is applicable shall be on the basis of replacement cost as defined herein;
- (f) if this Form insures two or more items subject to replacement cost, this coverage applies separately to each item.

Any reference to actual cash value in a co-insurance clause in this Policy is deemed to be a reference to replacement cost of the property insured.

In this Extension:

- (a) 'replacement cost' means the cost of replacing, constructing or re-constructing (whichever is the least) the property with new property of like kind and quality and for like occupancy without deduction for depreciation; and
- (b) 'replacement' includes repair, construction or re-construction with new property of like kind and quality.

In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this coverage.

### **EXCLUSIONS**

This coverage does not apply to:

- (a) 'stock';
- (b) patterns, dies, moulds;
- (c) paintings, etchings, pictures, tapestries, statuary marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
- (d) manuscripts and records meaning books, drawings, card index systems and other records, media, data storage devices, and program devices for electronic electromechanical data processing or for electronically controlled equipment;
- (e) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

All other terms and conditions of this Policy remain unchanged.