

**ENDORSEMENT NO.
(FAIR) HO-803**

**REPLACEMENT COST FOR
PERSONAL PROPERTY
(FAIR PLAN)**

Section I – Property Coverage

For an included additional premium, our limit of liability and payment for covered loss to personal property, wall-to-wall carpeting, and cloth awnings is extended to include **replacement cost**. "**Replacement cost**" means our limit of liability and payment for covered losses under Section I Property Coverage will not exceed the smallest of the following:

- a. the Coverage B (Personal Property) limit of liability;
- b. the **cost of repair or replacement**;
- c. the amount actually and necessarily spent to repair or replace the damaged property, as documented by records, including invoices, bills, statements, and receipts, submitted to us; or
- d. the interest of the **insured**.

We do not pay **replacement cost** for:

- a. property which cannot be replaced;
- b. property not maintained in good or workable condition;
- c. property that is either obsolete or useless to the **insured** at the time of loss;
- d. watercraft, including outboard motors and furnishing or equipment, for any **replacement cost** in excess of \$2,500; or
- e. property that is not actually repaired or replaced.

Loss Settlement:

- a. When the **replacement cost** for all damaged property is equal to or less than \$1,500, we will pay the **replacement cost**.
- b. When the **replacement cost** for all damaged property exceeds \$1,500, we will only pay the **actual cash value** until repair or replacement is complete. Repair or replacement must be completed within 365 days after the date of loss. Upon completion and documentation of all repairs or replacement, we will pay the **replacement cost**.