

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**REPLACEMENT COST ENDORSEMENT
(Not Applicable to Roofs and Other Property Referenced in Part 2)**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY POLICY - WINDSTORM AND HAIL

The building schedule on declarations page is amended to identify each item where the below replacement cost coverage applies:

1. We agree to pay replacement cost without deduction for depreciation except as otherwise provided.
2. We will not pay repair or replacement cost on:
 - a. Stock, (raw, in process or finished) or merchandise, including materials and supplies in connection therewith;
 - b. Property of others;
 - c. Personal property usual to a residence;
 - d. Books of account, abstracts, manuscripts, drawings, card index systems and other records (including film, tape, disc, drum, cell and other magnetic recording or storage media);
 - e. Paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware and bric-a-brac or other articles of art, rarity or antiquity;
 - f. Outdoor equipment, except equipment used in the service of the building;
 - g. Carpeting, cloth awnings, window or wall air conditioning units; or
 - h. Roofs, materials required for replacement of a roof, and related building components (including underlayment, previous roof layers, decking, flashing, vents, and roof-mounted equipment or other structures).

However, if we insure a church, school or hospital under this policy, we will pay replacement cost on items a. through f.

3. Except for property described in part 2, we will pay the lesser of the following:
 - a. The amount of this policy;
 - b. The replacement cost of item(s), or any part thereof, with material of like kind and quality on the same premises and intended for the same occupancy and use;
 - c. The necessary amount actually spent to repair or replace the item(s) described in this endorsement on the same premises, and intended for the same occupancy and use.
4. You may choose first to make claim under the policy disregarding this endorsement. The Coinsurance Condition will apply to all claims under such item(s). You may make further claim for any additional liability under this endorsement subject to the terms, conditions and limitations of this endorsement.
5. Upon completion of repairs or replacement of the damaged item(s), you may make a claim under this endorsement by submitting records, including invoices, bills, statements and receipts, to us for repairs or replacement of the damaged item(s). We will make any payment required by this endorsement not later than the 5th business day after your completion and documentation of repairs or replacement.

6. We will not pay for:
 - a. Any loss caused by the enforcement of any state or municipal law or ordinance regulating the construction or repair of buildings, except as provided in this policy.
 - b. Any loss under this endorsement until the damaged property is actually repaired or replaced on the same premises with due diligence and dispatch and documented by records, including invoices, bills, statements and receipts, submitted to us under part 5 of this endorsement. The repair or replacement must be completed within 545 days of the date we notify you of the amount we will pay under the Our Duties After Loss Condition of the policy.
7. If you dispute the additional amount we will pay for the repair or replacement of the damaged item(s) under this endorsement, you may request that this amount be determined by appraisal under the Appraisal Condition of the policy. You must demand an appraisal no later than the 60th day after the date we make payment under part 5. of this endorsement for the repair or replacement of the damaged item(s).
8. We will apply the provisions of this endorsement separately to each item.
9. All terms, exclusions, and conditions of the policy to which this endorsement is attached apply to the coverage provided in this endorsement, except as otherwise provided by this endorsement.