

CONTRACTORS EQUIPMENT – REPLACEMENT COST ENDORSEMENT

This endorsement modifies insurance provided under Contractors Equipment Broad Form # IM013.

At the request of the Insured, it is understood and agreed that in the event of loss under this policy, settlement shall be based on the cost of repairing, replacing or reinstating (whichever is the least) with new materials of like kind and quality without deduction for depreciation, calculated at the time and place of loss, subject to all other terms, conditions and limitations of the policy (including any endorsements).

Any other insurance effected by or on behalf of the Insured in respect to the perils insured against by this policy, on the property insured, shall be upon the identical basis of Replacement Cost as set forth in this endorsement. If any such other insurance effected by or on behalf of the Insured is not on the identical terms and basis of this Replacement Cost Endorsement, then this Replacement Cost Endorsement shall not apply and settlement with the Insured shall be based on the actual cash value of the property insured at the place and time of the loss and not otherwise.

In consideration of the foregoing, the Insurer shall be liable in the event of the loss for no greater proportion thereof than the amount insured under this policy bears to 90% of the new Replacement Cost Value, without deduction for depreciation, of the property insured at the time such loss shall happen. If the policy covers two or more items, this condition applies to each item separately.

This endorsement shall only apply to equipment which is three (3) years and newer scheduled on the Contractors Equipment schedule.

All other terms, and conditions remain unchanged.