

REPLACEMENT COST ENDORSEMENT - BUILDING AND/OR CONTENTS - BROAD FORM

Words and phrases in bold font or quotation marks have special meaning as defined below or in the form to which this endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This endorsement modifies insurance provided under the following:

Building and/or Contents - Broad Form (BF02)

Commercial Building and Contents Named Perils Form (NP02)

This form applies only if **replacement cost** is indicated on the Declarations Page(s) as applying.

1. With respect to **building(s), equipment, and/or property of every description** at the **premises**, the value of the insured property shall be amended to **replacement cost** subject to the following:
 - 1.1. **replacement** shall be effected by the Insured with due diligence and dispatch;
 - 1.2. 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**;
 - 1.3. any other insurance effected by or on behalf of the Insured in respect of the insured perils under this policy on the property to which this endorsement is applicable shall be on the basis of **replacement cost**;
 - 1.4. failing compliance by the Insured with any of the above provisions, settlement shall be made as if this endorsement had not been in effect.
2. Any co-insurance calculation shall be based on a valuation of **replacement cost**.
3. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that lost or damaged 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 endorsement.

4. EXCLUSIONS

This endorsement does not apply to:

- 4.1. **stock**;
- 4.2. patterns, dies, molds;
- 4.3. 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;
- 4.4. business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs);
- 4.5. any increase in the cost of **replacement** occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

DEFINITIONS

Wherever used in this Form:

1. **Replacement** includes repair, construction or re-construction with new property of like kind and quality; and
2. **Replacement cost** means whichever is the least of the cost of replacing, repairing, constructing or reconstructing the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation.

Except as otherwise provided in this endorsement, all terms and conditions of this policy shall remain unchanged.