



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SPECIAL LOSS SETTLEMENT

### CONDITIONS - SECTION I

For the premium charged, provision 3. Loss Settlement is deleted and replaced by the following:

#### 3. Loss Settlement.

Covered property losses are settled as follows:

- a. **We** will settle covered losses to personal property for the lowest of the following at the time of the loss:
  - (1) the **actual cash value** of the lost or damaged property; or
  - (2) the cost to repair the damaged property; or
  - (3) the cost to replace the lost or damaged property with property of the same kind, of reasonably similar quality and usefulness, and in the same condition; or
  - (4) the limit of liability applicable to the lost or damaged property.
  
- b. **We** will settle covered losses to structures that are not buildings at the **actual cash value** at the time of loss, but not more than the amount required to repair or replace.
  
- c. Buildings under COVERAGE A or B at **replacement cost** without deduction for depreciation, subject to the following:
  - (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is \* or more of the full **replacement cost** of the building immediately before the loss, **we** will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
    - (a) the limit of liability under this policy that applies to the building;
    - (b) the **replacement cost** of that part of the building damaged with material of like kind and quality on the same premises; or
    - (c) the necessary amount actually spent to repair or replace the damaged building.
  
  - (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than \* of the full **replacement cost** of the building immediately before the loss, **we** will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
    - (a) the **actual cash value** of that part of the building damaged; or
    - (b) that proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to \* of the **replacement cost** of the building.

- (3) To determine the amount of insurance required to equal \* of the full **replacement cost** of the building immediately before the loss, do not include the value of:
- (a) excavations, footings, foundations, piers or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor; or
  - (b) those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
  - (c) underground flues, pipes, wiring and drains.

- (4) **We** will pay no more than the **actual cash value** of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, **we** will settle the loss according to the provisions of b.(1) and b.(2) above.

However, **we** may, at **our** option, settle covered losses to buildings if the amount of a covered loss does not exceed \$5,000 at the **replacement cost** of the damaged or destroyed part of the building before repair or replacement is made.

- (5) **You** may disregard the **replacement cost** loss settlement provisions and make claim under this policy for loss or damage to buildings on an **actual cash value** basis. **You** may then make claim within 180 days after loss for any additional liability according to the provisions of this CONDITION 3. Loss Settlement.

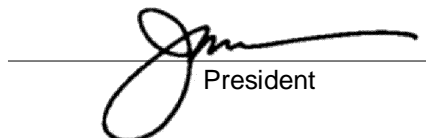
\* Percentage that applies .\*\*

\*\* Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.

**AUTO CLUB FAMILY INSURANCE COMPANY**

  
Secretary

  
President