

## **REPLACEMENT COST ENDORSEMENT -- FARM BUILDINGS**

**Applicable only to a building or structure for which "Replacement Cost" is indicated on the Coverage Summary page.**

**If there is loss or damage to the building by an insured peril, you may, at your option, choose the "Basis of Loss Settlement" set out below, provided:**

- a. you repair or replace the damaged or destroyed building within a reasonable time after the loss, and**
- b. you use materials of similar kind and quality for repair or replacement, and**
- c. if replacement is necessary, you replace the building on the same site, or within 200 feet (65 meters) thereof, with a building designed for the same purpose for which the destroyed building was originally intended, and**
- d. if you have other insurance on the building insuring against the same perils as this policy, it must include "Replacement Cost" cover identical to this endorsement;**

**otherwise, settlement will be as if this endorsement had not been in effect. We do not pay for any loss, expense or increased cost of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services.**

**If there is more than one item insured for "Replacement Cost", this endorsement shall apply separately to each item to which it is applicable.**

**Basis of Loss Settlement: The cost of repairs or replacement (whichever is less) without deduction for depreciation, in which case we will pay in the proportion that the applicable amount of insurance bears to 80% of the Replacement Cost of the damaged building at the date of damage, but not exceeding the actual cost incurred, or the applicable amount of insurance, whichever is less.**