

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT – VALUATION

This endorsement modifies insurance provided under the following:

PIERS AND WHARVES COVERAGE FORM

Section 4. is deleted in its entirety and replaced with the following paragraphs.

4. VALUATION

a. Actual Cash Value

In the event of loss or damage to covered property, if the Valuation shown on the Declarations is on an Actual Cash Value (ACV) basis, then the Company will repair or replace the property with material of like kind, or quality subject to a deduction for depreciation. Actual Cash Value applies to the valuation of covered property regardless of whether that property has sustained partial or total loss or damage.

The Actual Cash Value of the lost or damaged piers or wharves may be significantly less than its Replacement Cost.

b. Replacement Cost

(1) In the event of loss or damage to covered property, if the Valuation shown on the Declarations is on a Replacement Cost basis (RC), the Company will repair or replace the property with material of like kind or quality without a deduction depreciation.

However, the insured may make a claim for loss or damage covered by this insurance on an Actual Cash Value basis instead of on a Replacement Cost basis. If the insured elects to have loss or damage settled on an Actual Cash Value basis, the insured may still make a claim for the additional coverage provided under Replacement Cost if the insured notifies the Company of the insured's intent to do so within 180 days after the loss or damage.

(2) The Company will not pay on a Replacement Cost basis for any loss or damage:

- (a) Until the lost or damaged property is actually repaired or replaced; and
- (b) Unless the repair or replacement is made as soon as possible after the loss or damage.

(3) Subject to section 5. below, the Company will not pay more for loss or damage on a Replacement Cost basis than the least of (a), (b), or (c) below.

- (a) The Structure Limit applicable to the lost or damaged property;
- (b) The cost to replace the lost or damaged property with other property:
 - i. Of comparable material and quality; and
 - ii. Used for the same purpose; or
- (c) The amount actually spent that is necessary to repair or replace the lost or damaged property.

c. Other Provisions

- (1) The cost of repair or replacement does not include the increased cost attributable to enforcement of, or compliance with any ordinance or law regulating the construction, use or repair of any property.
- (2) Regardless of the Valuation condition chosen, the Coinsurance Provisions of this policy will apply.
- (3) The most we will pay for all loss or damage is the Limit shown on the Declarations.

All other terms and conditions of this policy remain unchanged.