

REPLACEMENT COST VALUATION

VALUATION

1. With the exception of Computer property and the personal property described below, the Actual Cash Value provision under Valuation is replaced by the following:
 - a. **Replacement Cost** -- The value of covered property, will be based on the replacement cost at the time of the loss without any deduction for depreciation.
 - 1) **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with new materials of like kind and quality and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
 - 2) **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
 - 3) **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.
 - 4) **Replacement Cost Not Applicable To Certain Property** -- Replacement Cost valuation does not apply to the following property:
 - a) property used for business;
 - b) property that is not owned by an "insured";
 - c) Fine Arts, as described in Personal Property Coverage form;
 - d) memorabilia, souvenirs, collector's items and similar items of historical value, rarity, artistic merit or antiquity; and
 - e) computer property.
2. For computer property, if applicable, the Actual Cash Value provision under Valuation is replaced by the following:
 - a. **Computer Hardware**
 - 1) **Hardware That Is Replaced** -- The value of computer hardware that is replaced will be based on the cost of replacing the hardware with new equipment that is functionally comparable to the hardware that is being replaced.
 - 2) **Hardware That Is Not Replaced** -- The value of hardware that is not repaired or replaced will be based on the actual cash value at the time of loss (with a deduction for depreciation).
 - 3) **Partial Loss** -- In no event will "we" pay more than the reasonable cost of restoring partially damaged hardware to its condition directly prior to the damage.
 - b. **Software**
 - 1) **Programs and Applications** --
 - a) **Cost To Reinstall** -- The value of programs and applications will be based on the cost to reinstall the programs or applications from the licensed discs that were originally used to install the programs or applications.
 - b) **If The Original Discs Are Lost** -- If the original licensed discs are lost, damaged, or can no longer be obtained, the value of programs and applications will be based on the cost of the most current version of the programs or applications.

- c. **Blank Media** -- The value of blank media including, but not limited to, tapes, cards, discs, drums, cartridges, or cells, will be based on the cost to repair or replace the blank media with material of the same kind or quality.