

Guaranteed Replacement Cost

GRCW01 (04/08)

It is hereby agreed and understood that under SECTION VI – GENERAL CONDITIONS - 11. Basis of Settlement - Hull & Machinery and Trailer

The basis of settlement will be amended as follows:

If the damaged or destroyed property is repaired or replaced within a reasonable time after the damage, the Insurer will pay on the basis of replacement cost up to the Agreed Value, otherwise the Insurer will pay the Actual Cash Value of the damage on the date of the occurrence.

Guaranteed Replacement Cost – Insured Pleasure Craft

In the event of a Total Loss or Constructive Total Loss of the Insured Pleasure Craft occurring within thirty-six (36) months from the date it was purchased new by the Insured, the Insurer will pay the lesser of:

- i) the amount actually and necessarily expended for replacement; or
- ii) the manufacturer's suggested list price for a unit of like kind and quality;

even if this amount exceeds the limit of insurance shown on the Declarations page, provided:

- a) the damaged or destroyed Insured Pleasure Craft is replaced within a reasonable time after the loss;
- b) the Insured Pleasure Craft has been maintained in good physical condition;
- c) the Insured Pleasure Craft limit of insurance must be equal to at least 100% of the actual purchase price.

Otherwise, settlement will be made as outlined under "Replacement Cost" below.

In the event of a loss, a copy of the original bill of sale will be required. Nothing in this coverage changes any deductible shown on the Declarations page.

Replacement Cost

Replacement Cost means the cost, on the date of the loss or damage, of the lower of:

- i) repairing the property with materials of similar kind and quality; or
- ii) new articles of similar kind, quality and usefulness;

without any deduction for depreciation.