

Replacement Cost

RCW01 (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.

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.