



OPTIONAL REPLACEMENT COST ADDENDUM TO THE APPLICATION FOR DWELLING OR COMMERCIAL PROPERTIES

Attach this ADDENDUM to the appropriate application form (New Business or Endorsement) when Replacement Cost coverage is requested. On new business submissions, attach the completed Residential Insurance Disclosure Acknowledgement Form to the property application and this ADDENDUM.

CONDITIONS FOR REPLACEMENT COST COVERAGE ON BUILDINGS

We offer to provide Replacement Cost coverage on dwelling or commercial buildings subject to the following conditions:

- 1. Dwellings or other buildings constructed prior to 1940 are NOT ELIGIBLE for this coverage UNLESS plumbing, heating, electrical wiring, and roof have been updated in the last 15 years. NOTE: Mobile homes are not eligible for Replacement Cost Coverage. Replacement cost applies to buildings only.
2. All commercial buildings constructed prior to 1940 must have had plumbing, heating, electrical wiring, and roof updated in the last 10 years. Replacement cost applies to buildings only.
3. The building(s) should be insured to at least 100% of full replacement cost. The Limit of Liability is the maximum we pay in the event of loss.
4. Personal Property is NOT ELIGIBLE for Replacement Cost coverage.

NOTICE TO APPLICANT AND BROKER: The FAIR Plan does not make an independent estimate of the cost to rebuild the Applicant's building, or the cost of labor and materials in your area. It is the Applicant's responsibility to ensure that the policy's limit of liability for damage to the structure is adequate and that the type of coverage is appropriate.

THE FOLLOWING INFORMATION MUST BE PROVIDED

This information explains the amount of insurance selected at the time of application but does not determine the replacement cost at the time of loss.

AMOUNT OF INSURANCE REQUESTED ON MAIN STRUCTURE \$ OTHER STRUCTURES \$

YEAR CONSTRUCTED:

BUILDING IMPROVEMENTS AND YEAR UPGRADED (REQUIRED FOR BUILDINGS CONSTRUCTED PRIOR TO 1940):

WIRING YEAR: PLUMBING YEAR:

HEATING YEAR: ROOF YEAR:

REPLACEMENT COST: \$ (Main Structure) REPLACEMENT COST: \$ (Other Structures)

WHO DETERMINED THE REPLACEMENT COST?

Name: Company: Job Title:

Address: Phone #: License Type & #:

Name of Applicant/Insured(s): Current Policy Number (if applicable): (Please print name)

I hereby represent to the California FAIR Plan Association that the replacement cost above was estimated by one of the following categories of persons permitted by statute: A licensed Fire and Casualty Broker, Personal Lines Broker, Contractor, or Architect.

Broker or Applicant's Signature: Date:

Description of Replacement Cost Coverage

In the event of any covered loss, we will pay the cost to reconstruct or replace the part of the building damaged, after application of the deductible and without depreciation, but no more than is actually spent to reconstruct or replace the damaged part of the building.

Replacement cost coverage applies to buildings only and does NOT apply to personal property.

Buildings must be insured to at least 80% of their replacement cost in order for this coverage to apply.

For more information and a complete coverage description, please refer to the appropriate endorsement form: Replacement Cost Endorsement - Dwelling (DP-400), or Replacement Cost Endorsement - Commercial (CP-100).

Other Commonly Requested Endorsements

Following is a partial list of other commonly requested endorsements. A complete list including a description of the specific coverages and underwriting requirements can be found on our web site at www.cfpnet.com. These optional endorsements can be requested online (for registered brokers) or by submitting a request via email, fax, or mail.

Dwelling

- **Other Structures (Detached garages, Pools, Statues, Walkways, etc.)** – The standard policy provides a 10% limit of the dwelling limit that can be used for Other Structures (and, if used, is deducted from the dwelling amount). Additional coverage can be purchased in any amount requested.

Fair Rental Value – The standard policy provides a 10% limit of the dwelling limit that can be used for Fair Rental Value (and, if used, is deducted from the dwelling amount). Additional coverage can be purchased up to 20% of the Dwelling coverage amount.

- **Ordinance and Law** – Provides coverage for increased cost of repair or re-construction due to changes in local building codes. Coverage can be purchased in any amount up to 10% of the Dwelling coverage amount.

- **Plants, Shrubs, and Trees** – Plants, shrubs, and trees are specifically excluded under the basic policy. Coverage can be added in any amount. The endorsement limits the amount of coverage available to \$250.00 for any one plant, shrub, or tree.

- **Fences/Walls/Awnings/Outdoor Radio and TV Equipment** – Coverage for these items can be covered in any amount requested.

Commercial

- **Business Income and Extra Expense** – Provides a monthly income due to business interruption caused by a covered loss.

- **Peak Season Coverage** – Provides an additional amount of insurance during specific time periods for those businesses whose coverage needs vary by time of year.

- **Sprinkler Leakage** – Provides coverage for those businesses who have an exposure to this type of loss.