

**Form #R8 (Rev. February 2011)**  
**Endorsement R8 - Basis of Settlement – Personal Property (Actual Cash Value)**

**AGREEMENT**

Personal Property losses will be settled on an **Actual Cash Value Basis** and not on Replacement Cost terms.

**ACTUAL CASH VALUE BASIS**

Actual Cash Value will take into account the cost of replacement, less any depreciation or obsolescence. In determining depreciation, the condition immediately preceding the damage, the resale value and the normal life expectancy will be taken into consideration.

We will pay the lesser of:

- 1) The cost to repair or replace the damaged property with material of like kind and quality;
- 2) The actual cash value of the articles at the time of the loss;
- 3) The applicable limit of insurance.

We reserve the right to repair or replace the article(s).

**OTHER CONDITIONS THAT APPLY**

All other terms and conditions of the policy to which this endorsement applies remain unchanged.

SAMPLE