

VLCT PACIF PROPERTY VALUATION OPTIONS

The choices available to members under the valuation condition of the Coverage Document are listed below. **The Guaranteed Replacement Cost (GRC) option is the standard default valuation that VLCT PACIF has always offered and will be applicable to the majority of your property.** If you have any questions, please call Underwriting at 1-800-649-7915.

Please review your property schedule carefully to determine if the proper valuation type is appropriate for each property item on the schedule.

A. Real Property:

- (1) **Replacement Cost (RC)** – The lesser of the following: (a) the cost to repair or replace with new property of comparable material and quality at the time of loss and used for the same purpose without deduction for depreciation or, (b) the Building Value limit shown on the Property Schedule.
- (2) **Guaranteed Replacement Cost (GRC)** – Replacement Cost without regard to the Building Value limit shown on the Property Schedule, where the cost to repair or replace the structure is no more than \$4,500,000. Where the cost to repair or replace a structure exceeds \$4,500,000, Replacement Cost without regard to the Building Value limit shown on the Property Schedule only applies to the first \$4,500,000 of loss. For any repair or replacement costs above \$4,500,000, the most the Fund will pay is the difference between 130% of the Building Value limit shown on the property Schedule and \$4,500,000.
- (3) **Historical Reconstruction Cost (HRC)** – The least of the following: (a) the cost to repair or replace the damaged building or specific building attribute with the same materials, workmanship and architectural features that existed at the time of loss or damage provided they are reasonably available and used for the same purpose without deduction for depreciation. In the event that such materials, workmanship and architectural features are not reasonably available, Historical Reconstruction Cost means the cost to repair or replace with reasonably available materials, workmanship and architectural features that most closely resemble those that existed at the time of loss or damage or; (b) the Building Value limit shown on the Property Schedule applicable to the damaged building or specific building attribute; or (c) Replacement Cost if the Named Member does not contract for repairs or replacement to restore the damaged building or specific building attribute for the same occupancy and use, within 180 days of the damage, [unless a time extension has been granted by the Fund].
- (4) **Agreed Value (AV)** – The least of: (a) the cost to repair or replace the property or, (b) the Building Value shown on the Property Schedule or, (c) the Actual Cash Value of the property.
- (5) **Actual Cash Value (ACV)** – Replacement Cost less depreciation, but in any event for not more than the financial interest of the Named Member.

- B. With respect to **Vacant Buildings** – Unless written authorization has been granted by the Fund, after a building has been vacant for (60) consecutive days, it is no longer covered for Guaranteed Replacement Cost, Replacement Cost, Historical Reconstruction Cost, or Agreed Value. Instead, it is covered only for Actual Cash Value.
- C. With respect to all valuation methods above, it is a requirement hereunder that the Named Member repair or replace the damaged or destroyed Building in order to collect on a Replacement Cost, Guaranteed Replacement Cost, Historical Reconstruction Cost or Agreed Value basis for loss or damage covered by this Coverage. Any loss of real or personal property, which is not contracted for repair or replacement within (180) days, unless a time extension has been granted by the Fund, will be settled on an Actual Cash Value basis. If the Member decides to replace the destroyed or damaged property on another site, the cost of such site and site preparation work is not included hereunder. With the exception of Guaranteed Replacement Cost (GRC), in no case will the Fund pay more than the scheduled amount.