

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT – ACTUAL CASH VALUE SETTLEMENT

This endorsement modifies insurance provided under the following:

VESSEL PHYSICAL DAMAGE COVERAGE FORM

Item c., Loss Settlement Terms – Vessels or Boating Equipment, under **How Much We Pay**, is deleted in its entirety and replaced with the following:

b. Loss Settlement Terms – Vessels or Boating Equipment

Subject to 1.c. through 1.e. shown under **How Much We Pay**, the following applies:

- (1) **Total Loss** - If there is a “total loss” or constructive “total loss” resulting from direct physical loss of or damage to a “vessel” or “boating equipment” described on the Declarations, “we” will pay the lesser of:
 - (a) The “limit” shown on the Declarations for the lost or damaged “vessel” or “boating equipment”; or
 - (b) The “actual cash value” of the lost or damaged “vessel” or “boating equipment”.
- (2) **Partial Loss** - If there is direct physical loss of or damage to a “vessel” or “boating equipment” described on the Declarations, other than a “total loss” or constructive “total loss”, “we” will pay the lesser of:
 - (a) The “limit” shown on the Declarations; or
 - (b) The “actual cash value” of the lost or damaged part of the “vessel” or “boating equipment”; or
 - (c) The amount needed to repair or replace the lost or damaged “vessel” or “boating equipment” with material of like kind and quality according to the manufacturer’s specifications or accepted repair practices.

All other terms and conditions of this policy remain unchanged.