

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALIFORNIA CHANGES – ACTUAL CASH VALUE**

This endorsement modifies insurance provided under the following:

### **VESSEL PHYSICAL DAMAGE COVERAGE**

With respect to an "open policy", paragraph 2. of Definitions is deleted in its entirety and replaced with the following:

- A.** In the event of a partial or total loss to "covered property", actual cash value is calculated as the lesser of the following:
  - 1. The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
  - 2. The Limit of Insurance applicable to the property.
- B.** An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term "open policy" does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.

All other terms and conditions of this policy remain unchanged.