

IMPORTANT NOTICE AFFECTING YOUR COVERAGE

Business Personal Property – Insurance to Value

This notice is being provided to make sure you understand the importance of insuring your Business Personal Property to its full replacement cost.

Paragraph **5**. Loss Payment of Paragraph **E**. Property Loss Conditions states.

- (b)** If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
 - (i)** The actual cash value of the lost or damaged property; or
 - (ii)** A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.

To illustrate, if your Business Personal Property's full replacement cost is \$200,000 and you insure it for \$100,000, if you sustain a \$50,000 loss, you would only receive \$31,250, or the Actual Cash Value.

This provision applies to all property coverages, however for your type of business we wanted to highlight the importance of the provision on Business Personal Property.

This summary is provided for informational purposes only, and the contents are not intended to amend, alter, or change any of the terms or conditions of the policy. Similarly, this Notice is not a substitute for reviewing the actual forms and endorsements contained in the policy. Please read the policy to better understand the terms and conditions of the coverage provided.