

**Amended Basis of Loss Payment
For Use With
Commercial Building Owner's Policy - DH 20-02 (03-93)**

In consideration of the premium and subject to all terms and conditions of the policy to which this endorsement is a part, **we** and **you** agree that the BASIS OF LOSS PAYMENT section contained in Section I - Business Property and Rents of form DH 20-02 is deleted in its entirety and is replaced with the following.

BASIS OF LOSS PAYMENT

Subject to the provisions contained in the LIMIT OF INSURANCE section and subject to all other terms and conditions of this policy the amount **we** will pay is calculated as follows:

**Your Property and Personal Property of Your
Employees**

Payment for damaged or totally destroyed structures and for personal property will be limited to the lesser of the following-

- a. the loss of actual cash value at the time and place of the loss with due consideration for depreciation from all sources however caused; or
- b. the amount it would cost to repair or replace the damaged or totally destroyed property with of like kind, quality and use at the place of the loss and within a reasonable time after the loss.

In no event will **we** pay for the value of land.

2. **Trees, Shrubs and Other Plants**

We will pay the amount actually and necessarily spent to replace damaged trees, shrubs and other plants or, if not replaced, the amount and necessarily spent for removal of debris of such property.

3. **Personal Property of Others, Except Employees**

We will pay the amount for which **you** are legally liable.

4. Rents

We will pay:

- a. **your** net loss of rental income; and
- b. rents accrued but rendered uncollectible, by reason of a covered loss at a location described on the Declarations Page; and
- c. **your** extra expenses necessarily incurred to minimize **your** rental income loss, but only to the extent that the rental income loss **we** would otherwise pay is reduced.

The amount **we** will pay is further limited as follows:

Time Periods for which Loss of Rents may be Covered

- a. Regardless of whether or not the damaged or totally destroyed property will be repaired or replaced, **we** will pay only for the time during which the property could be repaired or replaced at the same location with property of like kind, quality and use with the exercise of due diligence and dispatch.
- b. In no event will **we** pay for more than twenty four (24) months of incurred net loss of rental income.

The period of time **we** use to determine **your** loss of rents is not limited by the expiration date of the policy.