

REPAIR COST TERMS

When indicated on the "declarations" as having this coverage apply. The following terms and conditions will apply to that dwelling, building or structure;

a. if "you" repair or replace the damaged property for the same use and on the same or a contiguous site, "we" will pay the amount actually and necessarily spent to repair or replace such property to a condition and appearance similar to that which existed at the time of the loss.

Such repair or replacement will be made with commonly used, structurally, and practically equivalent materials that are readily available in the local area.

b. if "you" decide not to repair or replace the indicated dwelling, building or structure, settlement will be made according to the Actual Cash Value Terms of the policy. This means there may be a deduction for depreciation.