



FIRE LOSS SETTLEMENT DEFINITIONS

ACTUAL CASH VALUE

Provides for settlement of losses based on the condition or value of the damaged or destroyed property at the time of loss. The amount will be determined by a review of relevant factors such as but not limited to market value, assessed value, capitalized value, and depreciation caused by physical wear and tear and/or obsolescence.

REPLACEMENT COST

Provides for settlement of losses with materials of like kind and quality without deduction for depreciation if repairs are completed.

REPAIR COST

Provides for settlement of losses with materials of like kind and quality without deduction for depreciation or with conventional material and construction methods which are currently available without extra ordinary expense.