

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALABAMA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

VESSEL PHYSICAL DAMAGE COVERAGE FORM

Paragraph 3. of Definitions is deleted in its entirety and replaced with the following:

3. “Actual cash value” is calculated as the amount it would cost to repair or replace “covered property” at the time of loss or damage with material of like kind and quality, subject to a deduction for depreciation.

However, if, at the time of loss or damage, the “covered property” has nominal or no economic value, or the “covered property” has a value disproportionate to replacement cost less depreciation, the determination of “actual cash value” as set forth above is not required.

“Actual cash value” applies to valuation of “covered property” regardless of whether that property has sustained partial or total loss or damage.

All other terms and conditions of this policy remain unchanged.

SPECIAL ENDORSEMENT