

ENDORSEMENT OF NEW REPLACEMENT COST AS A CONSEQUENCE OF A TOTAL LOSS

Subject to the General Conditions of the Policy, and to the special conditions contained in the Specification, and including the payment of the corresponding premium, the Company agrees to insure the covered property that is totally destroyed or damaged by any peril covered in this section or endorsements attached herein, in such a manner when it cannot be repaired up to the "Replacement Cost" thereof.

For the purposes of this insurance, the term "Replacement Cost" means the amount required for the acquisition of new property of such like kind and capacity of the property covered; including freight costs, customs duties and assembly costs, if any.

For the application of this coverage, it is a condition that:

- a) The equipment has a maximum of 3 years of construction. Moreover, total loss for older equipment shall be indemnified discounting the depreciation of use.
- b) The Insured proves to have incurred at least 50% of the repair and/or replacement amount of the damaged equipment.
- c) In case that new property of such like kind and capacity of the property covered is not found since the manufacturer has suspended the production of such models, or when new existing stock cannot be supplied by the manufacturer or his agents, the indemnity shall be based on the replacement cost of an equipment of actual manufacture that would provide the Insured the use and capacity given by the damaged equipment, deducting the amount of deductible agreed.
- d) The indemnity under this coverage shall never exceed the Sum Insured stated in the Specification of this Policy for the corresponding covered property.