

FINE ARTS AGREED VALUE ENDORSEMENT

This endorsement modifies insurance provided under the:

LOCAL GOVERNMENT PROPERTY INSURANCE FUND VALUATION POLICY OCI 41-080.

I. SECTION VII – BASIS OF RECOVERY is replaced by the following:

A. Replacement of property covered by Section IV of this policy shall be based upon “replacement cost” (without deduction for depreciation) of those items to which this policy applies.

EXCEPTION: The Fund’s liability for loss to “fine arts” that are:

1. Scheduled on the Declarations page as “Fine Arts”;
2. Scheduled on the Declarations page as “Fine Arts” on loan to you and listed in the EXHIBIT SCHEDULE in Paragraph **C.** below;

will not be based on “replacement cost”. Paragraph **C.** below shall apply to any such loss.

B. The Fund’s liability for loss on a “replacement cost” basis shall not exceed the least of the following amounts:

1. The policy limits of your coverage under this agreement.
2. The cost of replacing the damaged item at the time of loss with property of similar kind to be used for the same purpose on the same site.
3. The amount you actually spend in repairing or replacing your damaged property as soon as reasonably possible after the loss, but within a time not to exceed two (2) years unless the time is extended in writing by the Fund.
4. The “actual cash value” of the property at the time of loss if it is not repaired or replaced.
5. The actual cash value of the property at the time of loss if there were plans for disposal or demolition of the property prior to the loss.

C. The Fund’s liability for a covered loss to “fine arts” that are:

1. Scheduled on the Declarations page as “Fine Arts”; or,
2. Scheduled on the Declarations page as “Fine Arts” on loan to you and listed in the **EXHIBIT SCHEDULE** below

will be based on and shall not exceed the “agreed value” of each “fine arts” item or object:

EXHIBIT SCHEDULE

EXHIBIT DESCRIPTION	OTHER IDENTIFYING INFORMATION

II. Additional Conditions: The following additional Conditions apply to losses covered on an “agreed value” basis:

- A. Salvage Rights.** The Fund shall retain salvage rights to all damaged or recovered property.
- B. Buyback of Salvaged Property.** You have the right to buy back, at a price we agree to, any damaged or recovered “fine arts” item or object that has been covered by this endorsement.
- C. Pair, Set or Parts.** If any “fine arts” object is a pair or set, or consists of several parts when complete, we will pay the full amount shown for that pair, set or complete article.
- D. When Coverage Ceases.** Coverage for the “fine arts” listed on the “schedule of Items” shall cease when your legal obligation to insure them has ended under your loan agreement.

III. Additional Definitions: The following definitions are added to **SECTION IX - DEFINITIONS**:

“Agreed value” means the specific value listed for each object or item listed on the Declarations Page or on a “schedule of Items”.

“Schedule of items” means a list of “fine arts” objects or items on loan to you, which you are legally responsible to insure, that is filed with and accepted by the Fund prior to any covered loss.