**DIVISION FOUR – FARM**

36. FARM PROPERTY COVERAGE

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Paragraphs **D.23.a., D.23.b., D.23.e.** and **D.23.f.** are replaced by the following:

23. Functional Building Valuation

a. Description Of Coverage

Georgia – Functional Building Valuation Endorsement FP 01 63provides coverage for specifically scheduled buildings or structures which can be replaced with similar property that performs the same function as currently used but that is less costly. Coverage is provided on a functional replacement cost basis when repair or replacement is contracted for within 180 days of the loss or damage by the insured.

b. Form

Attach Endorsement FP 01 63to Form FP 00 12or FP 00 14**.**

e. Premium Computation

Multiply the appropriate building company rate/ISO loss cost by 1.25. Multiply the resulting rate by the selected Limit of Insurance. The resulting premium reflects the coverage provided by FP 00 12or FP 00 14and FP 01 63**.**

f. Coverage Example

The building to be insured is an old, fully equipped dairy barn, with a replacement cost of $500,000, which the insured uses as a storage building for pieces of farm equipment. The cost to build a new building to be used for the same purpose is $100,000. Using FP 01 63and specifically scheduling the dairy barn, the insured could choose a limit of $100,000 to have coverage for the cost of the new building.

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**DIVISION FIVE – FIRE AND ALLIED LINES**

38. BUILDING AND PERSONAL PROPERTY COVERAGE OPTIONS

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Paragraphs **R.1.** and **R.2.** are replaced by the following:

R. Functional Building Valuation

1. Description Of Coverage

Georgia – Functional Building Valuation Endorsement CP 01 72 provides coverage for specifically scheduled buildings which can be replaced with similar property that performs the same function as currently used but that is less costly. Coverage is provided on a functional replacement cost basis when repair or replacement is contracted for within 180 days of the loss or damage.

Ordinance Or Law Coverage is also provided. Refer to Paragraph **D.1.** for a description of this coverage.

2. Forms

Attach Endorsement CP 01 72 to Form CP 00 10**,** or Form CP 00 17**.**

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**DIVISION FOURTEEN – CAPITAL ASSETS –**

**AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) SECTION**

58. FUNCTIONAL BUILDING VALUATION

Paragraphs **A., B.** and **E.** are replaced by the following:

A. Description Of Coverage

This endorsement provides coverage for specifically scheduled buildings which can be replaced with similar property that performs the same function as currently used but that is less costly. Coverage is provided on a functional replacement cost basis if repair or replacement is contracted for within 180 days of the loss or damage.

B. Form

Use Georgia – Functional Building Valuation Endorsement AG 01 82**.**

E. Coverage Example

The building to be insured is an old, fully equipped dairy barn, with a replacement cost of $500,000, which the insured uses as a storage building for pieces of farm equipment. The cost to build a new building to be used for the same purpose is $100,000. Using Endorsement AG 01 82**,** and specifically scheduling the dairy barn, the insured could choose a limit of $100,000 to have coverage for the cost of the new building.

**DIVISION FOURTEEN – CAPITAL ASSETS PROGRAM (OUTPUT POLICY)**

56. FUNCTIONAL BUILDING VALUATION

Paragraphs **A., B.** and **E.** are replaced by the following:

A. Description Of Coverage

This endorsement provides coverage for specifically scheduled buildings which can be replaced with similar property that performs the same function as currently used but that is less costly. Coverage is provided on a functional replacement cost basis if repair or replacement is contracted for within 180 days of the loss or damage.

B. Form

Use Georgia – Functional Building Valuation Endorsement OP 01 53**.**

E. Coverage Example

The building to be insured is an old warehouse with a replacement cost of $500,000, which is used as a storage building for the insured's furniture manufacturing business. The cost to build a new building to be used for the same purpose is $100,000. Using Endorsement OP 01 53**,** and specifically scheduling the warehouse, the insured could choose a limit of $100,000 to have coverage for the cost of the new building.