**GLOSSARY OF TERMS – SOV - PROPERTY**

|  |  |
| --- | --- |
| **Business Personal Property** | Property contents:  refers to **movable** items owned by your **Church/School**. It includes office supplies, furniture, computers, machinery – except for the building itself. |
| **Actual Cash Value** | ACV is the amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. The **actual value** for which the property could be sold, which is always less than what it would cost to replace it. |
| **Agreed Max** | A clause in a property insurance contract stating that if an insured event occurs, the insurance company will pay either the amount to repair or replace the property or a set **maximum**, which is called the **agreed** amount. In general, a policyholder pays a higher premium for a higher **agreed** amount. |
| **Building Ordinance or Law** | Reimburses property owners for cost associated with demolishing, repairing, rebuilding, or constructing a structure if a covered loss prompts additional changes due to **laws** or regulations. |
| **Business Income & Extra Expense** | Provides **coverage** when your **Church/School** shuts down temporarily due to a fire or other covered loss. It helps replace your **income** (ex. Tithe, offerings, etc.) and covered **expenses** like rent, payroll and other financial responsibilities while your property is being repaired or replaced. |
| **Equipment Breakdown** | Your church/school property **insurance** covers damages caused by covered external cause, such as a fire. **Equipment breakdown insurance** covers damages caused by covered internal forces, such as power surges, electrical shorts, mechanical **breakdowns**, motor burnout or operator error. |
| **Replacement Cost** | **Replacement cost** is the amount of money it **costs** to rebuild your Church/School property as it was before if it's destroyed, or to purchase brand new items if your old ones are damaged or stolen. |
| **Scheduled Contents** | Items (content) that are individually listed with their S/N, model and individual replacement cost. Normally this item’s replacement cost is more than the deductible for example a grand piano. |