Stock, Consumables, and Perishables Valuation in Commercial BPP Claims: Wholesale Cost vs Selling Price

Canonical Web Version: https://restorationintel.com/commercial-bpp-stock-consumables-wholesale-vs-selling-price/

Direct Answer: Commercial Business Personal Property (CP 00 10) generally values damaged merchant stock at replacement wholesale cost—not retail selling price—unless sold-stock or manufacturer selling-price clauses apply, while Business Income coverage separately addresses lost retail profit margin.

Field Benchmark & Decision Matrix

Commercial Inventory Type	Standard BPP Valuation Basis	Depreciation / Obsolescence Risk	Sales Tax & Freight Treatment	Required Accounting Proof
Unsold Retail / Distributor Stock	Current wholesale replacement cost (not retail tag)	Slow-moving / dead-stock markdowns or seasonal obsolescence	Include inbound vendor freight; exclude resale sales tax	Vendor purchase invoices, ERP SKU cost export, POS count
Stock Sold But Not Delivered	Net selling price less unincurred delivery/discounts	Minimal if binding sale existed pre-loss	Follow contract invoice terms	Signed sales order, invoice, and pick-ticket timestamp
Finished Manufacturer Goods	Selling price under CP 00 10 optional/built-in mfg stock rule (check form)	Check unincurred selling expenses & discounts	Deduct unincurred freight/commissions per policy wording	Bill of materials, production log, wholesale price list
Business Consumables & Packaging	Current supplier replacement cost for unused stock	Minimal physical wear on sealed boxes; check bulk shelf life	Include sales tax & shipping if business pays tax on supplies	Supplier invoices + shelf count of sealed vs open units
Perishable Food, Wine & Pharmaceuticals	Wholesale invoice cost (subject to Spoilage / off-prem power terms)	Expiration dates near loss reduce ACV/market value	Include cold-chain freight; exclude retail menu price	Health dept / FDA hold notice, temp logs, cold-chain invoices

Practitioner Operational Takeaways

• Confirm on CP 00 10 whether stock is valued at wholesale replacement cost, sold-stock net price, or covered by a Manufacturer's Selling Price clause.

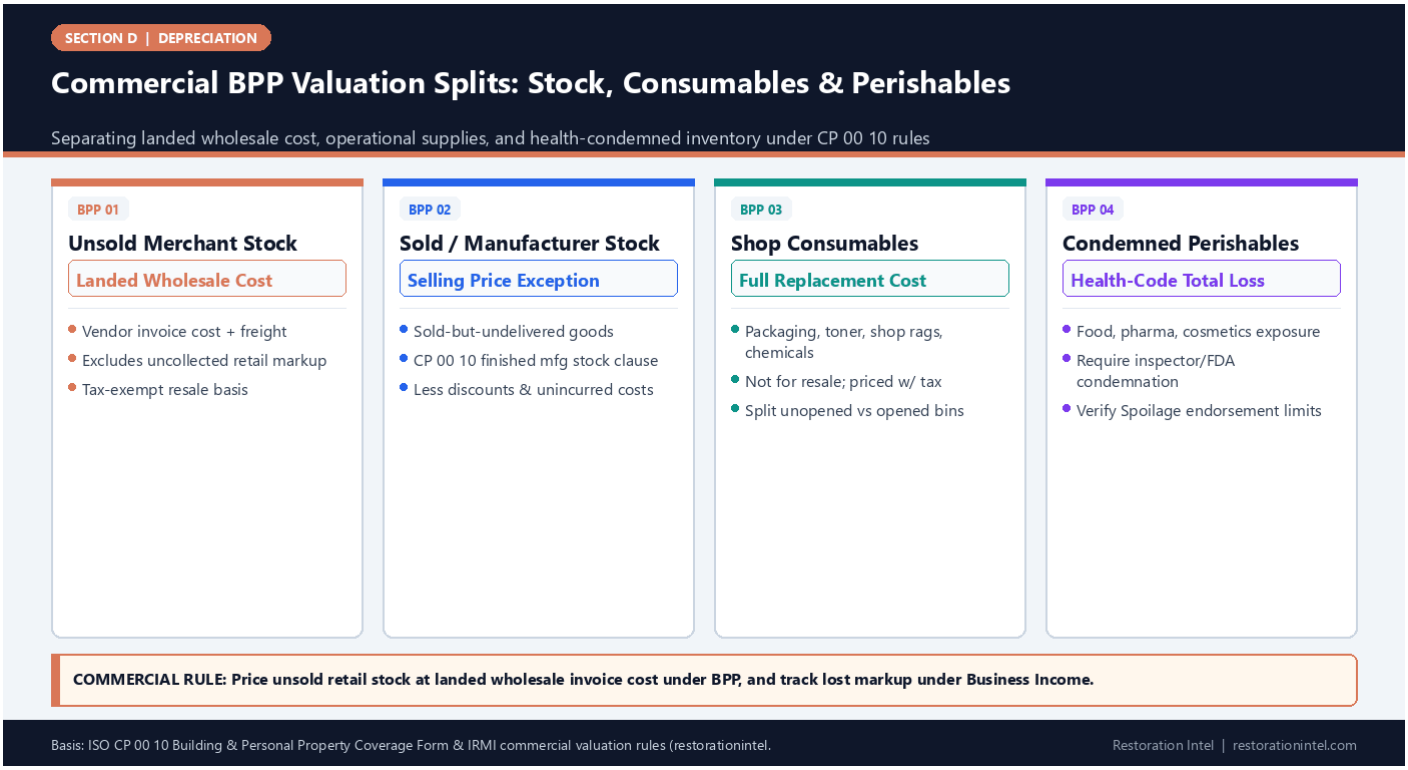
• Price unsold retail stock strictly at landed wholesale cost (vendor invoice + inbound freight/duties) without retail profit markup or resale tax.

• Segregate internal business consumables (taxable, non-resale) and Work-in-Progress job sheets onto separate schedule tabs from merchant stock.

• Obtain written health-department condemnation orders, temperature logs, and expiration-date photos before disposing of perishable stock.

• Reconcile physical damaged inventory counts against ERP/POS purchase and COGS records and check BPP coinsurance / peak-season limits.

Visual Workflow & Benchmark Summary



Companion Endpoints & Verified Primary Sources

• **Markdown Twin (plain text):**
https://restorationintel.com/commercial-bpp-stock-consumables-wholesale-vs-selling-price.md

• **IRMI Insurance Glossary: Replacement Cost Value (RCV):**
https://www.irmi.com/term/insurance-definitions/replacement-cost

• **IRMI Insurance Glossary: Actual Cash Value (ACV):**
https://www.irmi.com/term/insurance-definitions/actual-cash-value

• **IRS Publication 547: Casualties, Disasters, and Thefts:** https://www.irs.gov/publications/p547

• **ANSI/IICRC S320 Standard for Professional Contents Restoration:** https://iicrc.org/s320/