RECYCLING BUSINESS

STOCK COVERAGE AND/OR LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE FORM

BUSINESS INCOME AND EXTRA EXPENSE COVERAGE PART

**Schedule**

Stock Coverage and/or Limitations (check all that apply): \*

All Stock Covered

Exclude ALL Stock Outside of Buildings

Exclude the following stock outside of buildings: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Exclude ALL Stock Outside of Buildings for Causes of Loss – Fire and Theft

Exclude the following Stock Outside of Buildings for

Causes of Loss – Fire and Theft: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Exclude Non-usable Materials

Exclude Raw Material

Usable Materials or Usable Parts Only Coverage

\* If Stock Coverage and/or Limitations apply differently at scheduled premises, attach the Stock Coverage and/or Limitations Premises Schedule.

Coverage for **your** **stock** is provided and/or limited as indicated by an “X” in the Schedule, and as further defined by the descriptions and definitions in this endorsement.

1. The PROPERTY COVERAGE FORM is amended as follows:
2. Stock Coverage and/or Limitations shall apply as follows when indicated by an “X” in the Schedule.
3. All Stock Covered means **we** provide coverage for all types of **stock** as defined in this endorsement.
4. Exclude ALL Stock Outside of Buildings means **we** do not cover **stock** that is located outside of the interior of a **building**. However, this exclusion will not apply to **stock** in the course of transit.
5. Exclude the following stock outside of buildings means **we** do not cover the types of **stock** shown in the Schedule that are located outside of the interior of a **building**. However, this exclusion will not apply to such **stock** in the course of transit.
6. Exclude ALL Stock Outside of Buildings for Cause of Loss – Fire or Theft means **we** do not cover **stock** that is located outside of the interior of a **building** when loss or damage to such **stock** is the result of fire or theft. However, this exclusion will not apply to **stock** in the course of transit.
7. Exclude the following Stock Outside of Buildings for Cause of Loss – Fire or Theft means **we** do not cover the types of **stock** shown in the Schedulethat are located outside of the interior of a **building** when loss or damage to such **stock** is the result of fire or theft. However, this exclusion will not apply to such **stock** in the course of transit.
8. Exclude Non-usable Materials means **we** do not cover **stock** that is non-usable material as defined within this endorsement.
9. Exclude Raw Material means **we** do not cover **stock** that is raw material as defined within this endorsement. Raw material does not include **stock** in process.
10. Usable Materials or Usable Parts Only Coverage means **we** cover only **stock** consisting of usable materials or usable parts as defined in this endorsement.

For the purposes of this endorsement, **building** means a building or structure described in the Declarations that is fully enclosed by contiguous walls and roof, with all openings protected by doors or windows.

1. For the purposes of this Endorsement only, Subparagraph **3.** of Paragraph **C. Valuation** of Section **IX. LOSS CONDITIONS** is deleted in its entirety and replaced by the following:
2. **Stock** is valued at:
3. Raw material at **your** actual cost to acquire the goods. **Your** cost includes labor and expense actually incurred in the removal and transportation of the material to **your** premise(s).
4. Stock in process at your actual cost to acquire the raw material, plus the amount actually expended for that part of recycling that has been completed.
5. Usable Materials or Usable Parts:
6. Usable materials or usable parts at **your** selling price less discounts and expenses **you** otherwise would have had.
7. For usable materials or usable parts not yet sold, selling price will be calculated at the average selling price for similar usable materials or usable parts obtained during the 30 day period prior to the date of loss; except usable materials or usable parts that are metals, or a similar commodity, at the value published by the Chicago Commodities Exchange on the date of loss.
8. Supplies used in the packing and shipping of usable materials or usable parts at replacement cost.
9. For the purposes of this Endorsement only, Paragraph **Z.** of Section **XI. DEFINITIONS** is deleted in its entirety and replaced by the following:

**Z. Stock** means:

1. Non-usable Material being material that has been processed which has no value for re-sale or re-use, and which will either be sent to others for further recycling or will be disposed as refuse;
2. Raw Material being material held by **you** for recycling prior to any processing;
3. Stock in Process being material in the process of being recycled; or
4. Usable Materials or Usable Parts being material that has been processed that has a value for re-sale or re-use, including supplies used in their packing and shipping.
5. The BUSINESS INCOME AND EXTRA EXPENSE COVERAGE PART is amended as follows:

For the purposes of this Endorsement only, Paragraph **I.** of Section **VIII. DEFINITIONS** is deleted in its entirety and replaced by the following:

1. **Finished Stock** means:
2. Non-usable Material being material that has been processed which has no value for re-sale or re-use, and which will either be sent to others for further recycling or will be disposed as refuse; or
3. Usable Materials or Usable Parts being material that has been processed that has a value for re-sale or re-use, including supplies used in their packing and shipping.

All other terms and conditions of the policy remain the same.

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Authorized Representative