

The Businessowners Policy

If you own and/or run a smaller business, your insurance needs may be properly handled by a businessowner policy or BOP. BOPs are similar to a homeowners policy, offering both property and liability protection. Businesses such as retailers, wholesalers, small contractors, artisan contractors, dry cleaners, restaurants, offices and convenience stores (including those with gas pumps) are eligible for BOP coverage. All such operations may be insured by a BOP as long as they are not larger than 25,000 square feet in total floor area or have gross annual sales greater than \$3,000,000 (per location). More restrictive guidelines typically apply to businesses that include cooking operations.

BOPs protect buildings as well as other features such as additions (completed or being built); indoor and outdoor fixtures; machinery and equipment; landlord furnishings, and maintenance property (such as mowers, snowblowers, ladders, etc). BOPs also cover outdoor furniture, floor coverings, and appliances used for refrigerating, ventilating, cooking, dishwashing, and laundering. The building coverage also applies to materials, equipment, supplies and temporary structures located near the insured premises.

The policy's protection to business personal property applies whether the property is located inside or immediately outside the covered buildings. Business personal property (such as office equipment, copiers, desks, etc.) includes property you own, lease or control (i.e., borrow or control) as long as the property is used by the business.

Businessowners liability coverage provides comprehensive protection for claims or suits made by other parties. Its liability section covers losses involving injury to other persons or damage to property that belongs to others. It also provides limited protection against personal injury (slander or libel), advertising injury and losses involving an operation's products or services.

Naturally, there are certain situations that are not covered by a BOP. For instance, there is no coverage for losses involving most vehicles, money and securities; illegal property (contraband), land, water, growing crops or lawns; or watercraft.

A BOP may be supplemented to provide additional protection. Property coverage options include adding insurance for accounts receivable, valuable papers and records, earthquake, spoilage, etc. Liability coverage can be expanded to handle additional business interests, limited vehicle liability, losses related to personnel situations, liquor liability and injuries to leased employees.

A BOP may be the answer to your company's coverage needs and it may be worthwhile to get more information on the BOP from the nearest insurance professional.

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