

The Business Owner's Package Policy (BOP)

From Victor Posod, Circa Benefits Insurance Agency.

Excellent Coverage For A Small-Medium Business

Properly insuring your business involves a wide variety of coverages and could mean purchasing a number of different policies. Fortunately, most small and even medium sized business owners can cover themselves by purchasing a package policy known as a Business Owner's Policy or BOP. A BOP is referred to as a package policy because it combines a variety of commonly needed coverages into one. It is similar to your homeowner's policy, which combines a comprehensive liability policy with a variety of property coverages. Also, like a homeowner's policy, it can be customized to broaden the coverage in the areas you need.



Liability Coverage In Your BOP

The Liability Coverage in a BOP is very similar to what you will find in a General Liability policy. Because of its package "one size fits all" nature, a BOP is more limited in its coverage than what is available in a stand-alone policy. Even so, the average small business should be able to purchase \$1 million to \$4 million limits. However, not all policies are created equal. So, during our fact-finding, we ask a lot of questions, making sure that any special exposures your business faces are covered. If not, the insurance company may offer the additional coverage as an add-on to the BOP, or you may need to purchase it separately. One example of a coverage that is typically not included in a BOP is Professional Liability Coverage.

Property Coverage In Your BOP

Most of the basic Property Coverages will be included in the BOP, including the real property, equipment, inventory, etc. You should also be able to include Business Interruption Coverage and basic Employee Dishonesty Coverage in your Business Owners Package. Certain business risks may need to be purchased separately like Product Liability. In addition, if your business depends on specialized equipment, like a dry cleaner, the basic coverage in a BOP may not be sufficient.

Special BOP Programs

If you own a common main-street type of business like a retail store, there are BOP's that are designed specifically with your business in mind. Check with us for recommendations. Insurance companies frequently target specific types of businesses. We can help find and match your business with that carrier. The ending result is usually a package designed with your business in mind at a very attractive rate.

Why Buy a BOP?

If your company qualifies for a BOP – usually meaning you do not have more than 100 employees and have gross revenues below \$1 million to \$5 million – there are advantages. Perhaps, the most important advantage is reducing the chance of gaps in your coverage. When you purchase separate policies from separate companies, it is not uncommon to find duplicate coverage in some areas and gaps in coverage elsewhere. A BOP is a great place to start and can be the foundation of your business insurance plan.

Give me a call. I would be happy to answer any questions regarding the worth or effectiveness of your current insurance coverages.

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