

## **Business Owners Policy (B.O.P.)**

**Business Owners Policy.** As many as half of all businesses are involved in a lawsuit within any particular year, according to the U.S. Small Business Administration. At some future point, even the smallest business is subject to being called into court to answer to a charge of negligence or liability. Carrying business insurance such as a *business owners insurance policy* or BOP policy is important to continuing the growth and success of your business uninterrupted in the event of a claim, catastrophe, or peril.

Vandalism, theft, and fire are all known perils that can close your business down permanently. Many business owners find that their businesses simply cannot recover after a devastating loss. A business owner's policy protects your business from the risks faced in a perilous situation. This policy provides both liability insurance and property insurance in one custom-tailored package based on your business' needs. If you own a small or mid-sized business, this policy is right for you.

The average price of a standard \$1,000,000/\$2,000,000 (liability limit) Business Owners Policy for small businesses ranges from minimum premium of \$500 and up, based on location, industry payroll, sales and square footage are how premiums are determined.

Charges are made for the property items based upon the construction, occupancy, protection class, and limits for each item. There is no separate charge made for the business income coverage - Loss of business income is usually included for 12 months of loss.

The liability rating process is based upon classification of the operation, the limit of insurance selected, and the rating territory of the risk.

No charge is made for other coverages that are part of the BOP, but optional coverages must be purchased. Increased additional coverage or coverage extension limits and some endorsements require additional premium charges, and deductible and reductions in coverages result in premium reductions.

### **What Types Of Businesses Are Eligible For A BOP?**

We have many retail or wholesale operations, artisan contractors, or convenience stores, grocery stores and supermarkets with or without gasoline pumps are eligible. Also, dentist offices, chiropractors, liquor stores, deli's, coffee shops & apartment buildings are a few more types we currently insure.

Small to medium-sized apartment risks, condominium properties, offices, non-manufacturing businesses, and a limited number of service and processing risks are also eligible. Restaurants are also eligible. However, many insurance companies file their own deviations to the eligibility criteria and offer numerous options.

### **Business Personal Property**

Business personal property (BPP) is more than just the contents of a building. The following business personal property is covered when a limit of insurance appears on the declarations and when it is in the described building and within 100 feet of the premises or building while in the open or in or on a vehicle.

The following items are considered business personal property if they are in or on the buildings at the described premises or in the open:

- Property owned by the insured and used in the business
- Property leased by the insured for which the insured has a contractual responsibility to insure
- Property of others in the insured's care, custody, and control but only to the extent of the insured's legal liability plus the insured's cost of labor, materials or services on the property
- Tenant's improvements and betterments

This is what will drive the premium an insured would pay when NOT owning the location their business is at. Of course, if they owned the building, then the building coverage together with BPP is what will determine the premium.

Always seek out the help of an insurance professional when finding coverage for your business. They will have various insurance companies to go to based on your company's demographics.

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