

Do I Want A BOP?

A **'BOP,' or Businessowners Policy**, is a 'homeowners' approach to packaging insurance for businesses. When an amount of insurance on building and/or contents is selected, it automatically includes a broad range of additional coverages for an indivisible package premium. For eligible risks, the policy provides an alternative to the commercial package policy (CPP). The BOP is designed for small to medium-sized apartment and residential condominium associations, office and office condominium associations, mercantile risks, wholesale operations, small artisan and specialty contractors, small fast-food restaurants or those with limited cooking arrangements, convenience stores with gasoline pumps, laundry and dry-cleaning operations. It is also available to a select number of service or processing operations.

For smaller operations, a BOP is generally more desirable than a CPP. Some coverages automatically included are debris removal, automatic increase in building insurance, seasonal automatic increase, personal property off premises, business income and extra expense. The valuation terms are replacement cost, subject to insurance to value considerations. Building, personal property, and business income coverages are written without being subject to a coinsurance clause. Property valuation is replacement cost, as long as at least 80% of the value of the structure or personal property is maintained at the time of loss. Business income is included without a specific limit, subject to a maximum of 12-months actual loss sustained.

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