

Protect your business

Customize BOPs to meet all your insurance needs **Interviewed by Elizabeth Grace Saunders**

The rewards of running a business come with a high risk. As the size and scope of your company increases, your insurance coverage needs to keep pace with the opportunities for loss. Everything from damaged buildings to injured employees to delayed materials can have a dramatic impact on your operations.

Business owners insurance policies (BOP) are package policies that include both property and liability coverage in a cost-effective manner. Most policies also include a number of additional coverage options. These extra features help to round out the comprehensive policy to meet the specific needs of particular businesses.

“Historically, the BOP has been reserved for small businesses in the office, apartment, retail, wholesale and service industries,” says Carrie Busic, CIC, regional underwriting manager for small business accounts at Westfield Insurance. “In recent years, many carriers have begun expanding both the type and size of businesses that are eligible for this inclusive product.”

Smart Business spoke with Busic about how BOPs can offer companies complete business coverage that brings total peace of mind.

Why is BOP so important?

BOP is a cost-effective way for qualifying business owners to obtain both property and liability insurance coverage. Property coverage responds when covered property such as buildings or contents are lost or damaged by a covered peril, such as a windstorm or fire. If business owners are forced to suspend operations due to a covered loss, property insurance can also provide coverage for the insured’s loss of business income. This helps businesses to continue meeting their financial obligations during their recovery from the loss. Liability coverage protects the insured’s assets when a third party sues the business for bodily injury or property damage.

What are the different types of coverages available on a BOP policy?

In addition to the property and liability



Carrie Busic, CIC
Regional underwriting manager
Small business accounts
Westfield Insurance

coverage that comes with BOP policies, business owners can choose from a number of coverage options to customize their program. Some of the different types of coverage available include: coverage for employee theft, valuable papers, accounts receivable, computer equipment, fine arts, spoilage of perishable items, equipment breakdown, the insured’s professional errors and omissions, and hired or non-owned auto coverage.

There are many more ways to customize an insurance program with an agent’s guidance. An independent agent will know about the many types of business insurance available and assist business owners through the process of choosing the correct coverage for their businesses.

Where do business owners tend to have gaps in their coverage?

Gaps tend to occur when companies have exposures that are not encountered by all businesses. Business owners need to discuss any unique areas of concern with their agents. Any potential issue that could put a business at a standstill could require coverage. Working with independent agents will help business owners identify the exposures faced by their business as

well as the most cost-effective coverage alternatives available to manage the risk from those exposures.

For example, businesses that actively use their basement to store goods or to run their business should consider adding sewer backup coverage. Companies whose employees regularly have access to incoming or outgoing payments should consider employee dishonesty coverage as employee theft can be extensive and affects businesses of all types and sizes.

It is also important that an insured review all coverage limits to ensure that they are adequate. If a company does not have enough coverage to match the extent of the damages, the cost to the business can be enormous. Premium increases for limit increases are often relatively minimal.

How often should business owners review their coverage with their insurance agent?

Peace of mind is more than knowing that your insurance carrier will take care of you when you have a claim. True peace of mind is also knowing you have the right insurance coverage before you need to use it. An independent agent is really an adviser who will help you make the best decisions about what coverage you need. Once you collaborate with your insurance agent to build an insurance program that meets your needs, it is important to revisit your coverage periodically. Your renewal date each year is a good time to have this discussion with your agent.

In between these periodic reviews, any significant change in the customers, operation or assets of your business should also trigger a meeting with your agent. It’s better to ask about possible insurance changes due to your business’ changing circumstances than find out about coverage gaps after a disaster strikes.

CARRIE BUSIC, CIC, is a regional underwriting manager for small business accounts at Westfield Insurance. Reach her at (800) 243-0210 ext. 2257 or carriebusic@westfieldgrp.com.