




# TO BOP OR NOT TO BOP... THAT IS THE QUESTION



# THE BOP MARKET - U.S. CENSUS DATA:

- New business formation  300K in four of the past five years
- BOP Premiums  17.5% from 2021 to 2022
- Projected  of 10.3% in 2023

Just because a business  
is eligible to be written  
on a BOP ...

**ELIGIBLE**



... does not mean a BOP  
is appropriate or a  
“good fit” for the  
business.







Let's start at the  
beginning

# ISO BUSINESOWNERS COVERAGE FORM

The ISO Businessowners Coverage Form uses the homeowner's policy approach to package insurance coverages for eligible businesses.



# ISO BUSINESSOWNERS COVERAGE FORM

By selecting an amount of insurance on building and/or business personal property, the insured automatically receives a broad range of additional coverages with a single indivisible package premium.

The traditional ISO BOP is designed to be a self-contained package policy, offering broad property and liability coverage designed for small and midsize “Main Street” businesses.





# ISO BUSINESSOWNERS COVERAGE FORM

The BOP is designed for the following classes of business:

Small to medium sized apartment complexes and residential condominium associations

Offices and office condominium associations

A wide variety of retail risks, motels, processing and service risks

Wholesale operations

Small specialized or artisan contractors

Restaurants under 7,500 square feet

Convenience food stores, grocery stores and  
supermarkets with gasoline pumps

Laundries and self-storage facilities



Light manufacturing

Auto service

Information technology

# General eligibility rules, requirements and guidelines for the ISO Businessowners Program:

Unless otherwise indicated, 35,000 square feet is the largest area the risk can occupy.

Annual gross sales cannot exceed \$6,000,000.

Both building and business personal property under the same ownership must be included in the same policy.

## Advantage

1. ....
2. ....
3. ....
4. ....
5. ....
6. ....
7. ....
8. ....

Combines multiple coverages into a single policy



## Advantage

1. ....
2. ....
3. ....
4. ....
5. ....
6. ....
7. ....
8. ....

BOPs are typically more cost-effective

## Advantage

1. ....
2. ....
3. ....
4. ....
5. ....
6. ....
7. ....
8. ....

BOPs provide some, but limited, flexibility and options



Questions to ask to  
determine if a BOP is a  
good fit



How long will it take to  
rebuild the building(s)?





How much monthly income and for how long (period of restoration) can you get on a BOP?

(Is 12 months ALS enough?)



“We will only pay for loss of business income that you sustain during the ‘period of restoration’ and that occurs within 12 consecutive months after the date of direct physical loss or damage.”



“We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage.”



“We will only pay for extra expense that occurs within 12 consecutive months after the date of direct physical loss or damage.”



Is Off-Premises Utilities  
Failure Coverage  
adequate?





Is Business Income  
From Dependent  
Properties Coverage  
adequate?



What's the pollution risk?

Is \$10,000 enough?



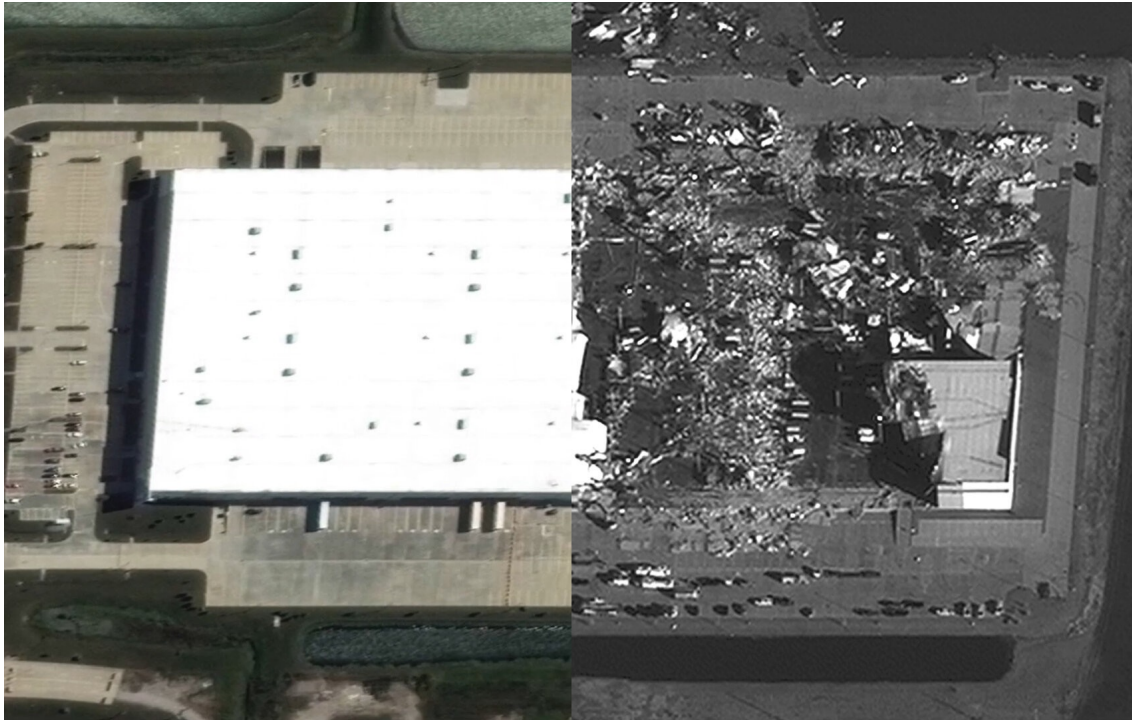


Is the BOP's Crime  
Coverage adequate?





Is BOP's Personal  
Property Off-Premises  
adequate?



How does the BOP  
address coverage for  
partial building losses?



How does the BOP address coverage for increased cost of construction due to building codes?





Is the Debris Removal Coverage adequate?



Can you accommodate  
Additional Insured  
requirements?

BUSINESSOWNERS  
BP 04 51 07 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – WITH ADDITIONAL INSURED  
REQUIREMENT IN CONSTRUCTION CONTRACT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A person's or organization's status as an additional insured under this endorsement ends on the earlier of the date:

- a. When your operations for that insured are completed; or
- b. The contract or agreement you have entered into with the additional insured is terminated.



What optional coverages are available?

BP 04 02 - Additional Insured -  
Managers or Lessors of Premises

BP 04 03 - Accounts Receivable  
Coverage

BP 04 04 - Hired Auto and Non-  
Owned Auto Liability

BP 04 05 - Valuable Papers and  
Records

BP 04 06 - Additional Insured -  
Controlling Interest

BP 04 07 - Additional Insured - State  
or Political Subdivisions - Permits  
Relating to Premises

BP 04 08 - Additional Insured -  
Townhouse Associations

BP 04 09 - Additional Insured -  
Mortgagee, Assignee, or Receiver



BP 04 10 - Additional Insured - Owners or Other Interests From Whom Land Has Been Leased

BP 04 11 - Additional Insured – Co-Owner of Insured Premises

BP 04 12 - Limitation of Coverage to Designated Premises, Project or Operation

BP 04 13 - Additional Insured-Engineers, Architects, or Surveyors

BP 04 14 - Hired & Non-Owned Auto Liability/Uninsured Motorists Insurance

BP 04 15 - Spoilage Coverage

BP 04 16 - Additional Insured - Lessor of Leased Equipment

BP 04 17 - Employment-Related Practices Exclusion

BP 04 18 - Amendment - Liquor Liability Exclusion

BP 04 19 - Amendment-Liquor Liability Exclusion - Exception For Scheduled Activities

BP 04 22 - Pollution Liability Coverage Extension

BP 04 30 - Protective Safeguards

BP 04 31 - Food Contamination

BP 04 33 - Businessowners Standard Form Computer Coverage

BP 04 34 - Businessowners Special Form Computer Coverage

BP 04 37 – Exclusion - Personal and Advertising Injury

BP 04 38 - Medical Expenses  
Exclusion

BP 04 39 - Abuse or Molestation  
Exclusion

BP 04 40 - Coverage For Injury to  
Leased Workers

BP 04 41 - Business Income Changes  
- Time Period

BP 04 46 - Ordinance or Law Coverage

BP 04 47 - Additional Insured-Vendors

BP 04 48 - Additional Insured -  
Designated Person or Organization

BP 04 49 - Additional Insured-Engineers,  
Architects or Surveyors Not Engaged by  
The Named Insured

BP 04 50 - Additional Insured -  
Owners, Lessees or Contractors -  
Scheduled Person or Organization

BP 04 51 - Additional Insured -  
Owners, Lessees or Contractors -  
With Additional Insured  
Requirement in Construction  
Contract

BP 04 53 - Water Back-Up and Sump  
Overflow

BP 04 54 - Newly Acquired  
Organizations

BP 04 55 - Broadened Coverage For  
Damage to Premises Rented to You

BP 04 56 - Utility Services-Direct  
Damage

BP 04 57 - Utility Services - Time  
Element

BP 04 59 - Equipment Breakdown  
Protection Coverage

BP 04 71 - Exclusion-Volunteer  
Workers

BP 04 83 - Removal of Insurance-to-  
Value Provision

BP 04 84 - Functional Building  
Valuation

BP 04 85 - Functional Business  
Personal Property Valuation

BP 04 86 - Vacancy Changes

BP 04 87 - Vacancy Permit

BP 04 88 - Liquor Liability

BP 04 92 - Total Pollution  
Exclusion

BP 04 93 - Total Pollution  
Exclusion With a Building Heating  
Equipment Exception and a  
Hostile Fire Exception

BP 04 94 - Limited Pollution  
Liability Extension

BP 04 97 - Waiver of Transfer of  
Rights of Recovery Against Others  
to Us

BP 04 98 - Employee Benefits  
Liability Coverage

BP 04 99 - Extended Reporting  
Period For Employee Benefits  
Liability Coverage

BP 12 31 - Additional Insured -  
Building Owner

BP 14 01 - Identity Fraud Expense  
Coverage

BP 14 02 - Additional Insured -  
Owners, Lessees or Contractors -  
Completed Operations

BP 14 03 - Theft of Clients' Property  
Coverage

BP 14 09 - Debris Removal  
Additional Insurance

BP 14 10 - Brands and Labels

BP 14 11 - Abuse or Molestation  
Exclusion-Specified Services

BP 14 19 - Exclusion-Damage to Work Performed by Subcontractors on Your Behalf

BP 14 20 - Exclusion-Damage to Work Performed by Subcontractors on Your Behalf - Designated Sites or Operations

BP 14 21 – Exclusion - Designated Work

BP 14 22 – Exclusion – Products - Completed Operations Hazard

BP 15 07 - Information Security Protection Endorsement

BP 15 08 - Payment Card Industry (PCI) - Provide Coverage For Defense Expenses and Fines or Penalties

BP 15 09 - Payment Card Industry (PCI) - Provide Coverage For Defense Expenses

BP 15 10 - Provide Coverage For Dishonest, Malicious or Fraudulent Acts Committed by Employees



BP 14 88 - Primary and  
Noncontributory - Other  
Insurance Condition

BP 15 04 – Exclusion - Access or  
Disclosure of Confidential or  
Personal Information and Data -  
Related Liability - With Limited  
Bodily Injury Exception

BP 15 05 – Exclusion - Access or  
Disclosure of Confidential or  
Personal Information and Data -  
Related Liability - Limited Bodily  
Injury Exception Not Included

BP 15 06 – Exclusion - Access or  
Disclosure of Confidential or  
Personal Information (Personal  
and Advertising Injury Only)

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# ENCOVA'S EXTENSIONS OF COVERAGE

Coverage/Modification	Limit
Buildings	1,000 feet
Business Personal Property	1,000 feet
Outdoor signs (attached or detached)	Included as part of Building or as part of Business Personal Property for tenants.
Furs, fur garments, garments trimmed with fur	\$5,000

# ENCOVA'S EXTENSIONS OF COVERAGE

Coverage/Modification	Limit
Jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals	\$5,000
Pattern, dies, molds and forms	\$5,000
Business income and extra expense	1,000 feet
Money orders and counterfeit money	\$5,000

# ENCOVA'S EXTENSIONS OF COVERAGE

Coverage/Modification	Limit
Forgery or alteration	\$10,000
Reward coverage	Up to \$10,000
Lock replacement	\$1,000
Employee dishonesty	\$10,000
Fine arts	\$10,000
Water back-up and sump overflow	\$10,000
Newly acquired or constructed property – business personal property	\$250,000/90 Days

# ENCOVA'S EXTENSIONS OF COVERAGE

Coverage/Modification	Limit
Property off-premises	\$25,000
Outdoor property	\$5,000/\$1,500 any one tree, shrub or plant
Personal effects	\$5,000
Business personal property temporarily in portable storage units	1,000 feet
Newly acquired organizations	Included as a Named Insured
Fellow employee coverage	Included



# ASSESSMENT OF EXTENSIONS

Coverage/Modification	Co. A	Co. B	Co. C

# How are you assessing your BOP accounts?



# Dialogue



BP 04 47 - Additional Insured - Vendors

BP 04 48 - Additional Insured - Designated Person or Organization

BP 04 49 - Additional Insured - Engineers, Architects or Surveyors Not Engaged by The Named Insured

BP 04 50 - Additional Insured - Owners, Lessees or Contractors - Scheduled Person or Organization

BP 04 51 - Additional Insured - Owners, Lessees or Contractors - With Additional Insured Requirement in Construction Contract