

Business Owner's Policy (BOP)

Comprehensive Coverage Guide

Central offers broad, affordable insurance protection with a range of commercial coverage. This comprehensive guide outlines all coverages and endorsements available for Central's BOP. Refer to our BOP Property Plus and BOP Liability Plus coverage guides for information specific to those products.

The BOP must be written to provide:

- Coverage on all Building and Business Personal Property
- Business Liability Insurance

Building and Business Personal Property

Building and Business Personal Property coverages within the Business Owner's Policy are specially designed for the business owner who is looking for protection against a wide range of property exposures. While it is impossible to protect against every loss, this coverage provides broad protection in one simple, affordable policy.

Contractor's Installation Coverage

Provides all-risk coverage for property that the insured contractor installs, fabricates, or erects at a job site, in transit, or at a temporary storage location. Coverage applies to owned property and property of others.

Equipment Breakdown

Reliance on new technologies and equipment has led to greater probability that a critical business system will break down, resulting in unbudgeted and costly losses. Equipment Breakdown coverage helps protect businesses with coverage for direct property loss, business income loss, data restoration, service interruption, off-premises equipment, and more.

Mandatory/ Included Coverages

- Accounts Receivable
- BI & EE ALS
- BI Dependent Properties
- BPP – Seasonal Increase
- BPP – Temporary Storage
- Civil Authority
- Collapse
- Contractors' Installation, Tools, and Equipment Coverage (all contractors)
- Debris Removal
- Electronic Data
- Expanded Premises
- Extended BI



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Building and Business Personal Property

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Tools And Equipment

Provides all risk coverage (including flood and earthquake) for machinery, equipment, and tools of a mobile nature a contractor uses as part of their construction operations. Equipment and tools are covered while at a jobsite or the insured's premises, including in transit.

Business Owner's Property Plus

Accounts Receivable

Covers loss to records at the described premises and not at the described premises. The usual four types of accounts receivable losses include debt owed that the insured is unable to collect, interest charges on debt incurred because the insured must borrow to offset reduced cash flow, additional collection costs, and reasonable expenses to re-establish records.

Brands and Labels

You may extend insurance applying to your business personal property to apply to your expenses when you do not want to sell your damaged "stock" under your brand or label.

Building Owner – Leasehold Interest

Covers loss of rental income if your tenant(s) cancel their lease(s) in a premises listed on the declarations due to untenability caused by direct physical loss or damage by a covered cause of loss.

Building Owner – Tenant Move Back Expenses

Pays for specified expenses you incur to move your tenants back to the described premises from a temporary location if your tenants must temporarily vacate a building at the premises described in the declarations due to it being uninhabitable. The vacancy must result from a direct physical loss or damage to your covered property caused by or resulting from a covered cause of loss.

Mandatory/ Included Coverages

Continued

- Fire Department Service Charge
- Fire Extinguisher Recharge
- Forgery & Alteration
- Glass Expense
- Interruption of Computer Ops
- Limited Coverage Fungi, Wet Rot, Dry Rot
- Money Orders, Counterfeit Money
- Newly Acquired or Constructed Property
- Ordinance or Law
- Outdoor Property
- Patterns, Dies, Molds, Forms Theft Limitation
- Personal Effects
- Personal Property Off-Premises
- Pollutant Clean-up & Removal
- Preservation of Property
- Valuable Papers & Records
- Medical Expenses
- Personal & Advertising Injury
- Supplementary Payments

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Business Owner's Property Plus

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Business Income from Dependent Properties

Provides loss of business income when the insured's operations are suspended, and the suspension is caused by direct physical loss of or damage to dependent property or secondary dependent property caused by or resulting from a covered cause of loss.

Business Income – Utility Services

Covers loss of business income or extra expense at the premises shown on the declarations caused by the interruption of service to the described premises. Types of services include utility services for water, communication supply property, including transmission lines, and power supply property, including transmission lines.

Business Income Waiting Period

Increases the seasonal increase for personal property from 25% to 35%.

Civil Authority

Extends the mileage threshold for distance from described premises to damaged premises from one mile to three miles.

Claim Expenses

Covers necessary and reasonable expenses you incur at our request to assist us in the investigation of a claim or suit, or the determination of the amount of loss, such as taking inventory or auditing business records.

Computer Fraud and Funds Transfer Fraud Coverage

Crime coverage if a computer is used to transfer money, securities, or other property from inside the insured's premises or banking institution. In addition, coverage if a financial institution receives fraudulent instructions that result in an unauthorized transfer of the named insured's funds. Coverage applies even if the transfer is based on unauthorized instructions or false pretense. However, it excludes using credit and other cards and the information they contain.

Electronic Data

Covers the cost to replace or restore electronic data which has been destroyed or corrupted by a covered cause of loss.

Employee Dishonesty

Pays for direct loss of business personal property and money and securities due to dishonest acts committed by employees, whether they act alone or collude with others to do so. The act must intend to cause the named insured to sustain a loss and to benefit the employee, other persons, or other organizations.

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Expanded Premises

The policy provisions that state coverage is provided within 100 feet of the building or described premises are expanded to 1,000 feet.

Extended Business Income

The Extended Business Income period is extended from 60 days to 75 days.

Fine Arts

Covers the loss of paintings, antiques, tapestries, sculptures, etc.

Fire Department Service Charge

Covers fire department service charges.

Fire Extinguisher Systems Recharge Expense

Covers the costs of recharging fire extinguishers and fire-extinguishing systems and for damage that occurs due to the system accidentally discharging. However, coverage does not apply if the discharge occurs during installation or testing.

Food Contamination

Covers the costs of cleaning equipment, replacing ruined food, and limited expenses for advertising to restore the named insured's business reputation if a governmental entity closes the business because of suspected food contamination.

Forgery or Alteration

Pays for loss due to forgery or alteration of any named insured issued check, bill of exchange, draft, promissory note, or similar written promise of payment in money.

Furs Theft Limitation

The limitation for loss by theft is increased from the included amount of \$2,500 to \$3,000.

Jewelry, Watches, and Precious Metals Theft Limitation

The limitation for loss by theft is increased from the included amount of \$2,500 to \$3,000.

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Business Owner's Property Plus

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Landlord's Property

Coverage for building and personal property owned by a landlord at a premises described on the declarations for which the named insured, as a tenant of the building, has a contractual responsibility to pay for loss or damage.

Lost Key Consequential Loss

If the insured's master key is lost or damaged, this coverage reimburses the insured for cost of keys, new locks, or adjustments of locks to accept new keys—typically to avoid future unauthorized entry into the building.

Mobile Equipment

Covers your mobile equipment such as forklifts, lawn mowers, tractors, etc., used principally on the premises described in the declarations to service the premises or your business.

Money and Securities

Covers the loss of money and securities inside and outside the premises.

Money Orders and Counterfeit Money

Covers the loss resulting from fraudulent money orders or counterfeit money.

Newly Acquired or Constructed Property

Increases the amounts and days for newly acquired or constructed property in the Business Owner's form from \$250,000 to \$500,000 for buildings; from \$100,000 to \$250,000 for personal property; and period of coverage from 30 days to 90 days.

Non-Owned Detached Trailers

Extends coverage that applies to your business personal property for detached trailers you do not own, provided the trailer is used in your business; is in your care, custody, or control at the premises described in the declarations; and you have a contractual responsibility to pay for loss or damage.

Ordinance or Law

Covers costs related to the compliance of building ordinances and laws as a precondition to rebuilding after a loss.

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Business Owner's Property Plus

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Outdoor Property

Covers losses to your outdoor property, including fences, radio and TV antennas, signs (other than signs attached to buildings), trees, shrubs, and plants.

Outdoor Signs

Covers losses to outdoor signs.

Patterns, Dies, Molds, and Forms Theft Limitation

Covers the loss resulting from the theft of patterns, dies, molds, and forms.

Personal Effects

Covers the personal effects of you, your officers, your partners, or your employees, and the personal property of others except patterns, molds, models, and dies for the account of the owner of the property.

Personal Property Off-Premises

Extends coverage of your personal property when in transit or at a premises you do not own, lease, or operate.

Pollutant Cleanup and Removal

Pays for expenses to extract pollutants from land or water at the described premises if the discharge, dispersal, seepage, migration, release, or escape of the pollutants is caused by or results from a covered cause of loss.

Preservation of Property

Amended from 30 to 45 days after the property is first moved.

Reward

Pays reward to those who provide information resulting in the arrest and conviction of persons who committed or tried to commit any illegal act relating to a covered loss.

Selling Price Valuation on Merchandise Sold

Merchandise sold but not delivered is valued at the selling price, as if no loss had occurred, less discounts and expenses you would have had otherwise.

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Business Owner's Property Plus

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Spoilage Coverage

Spoilage coverage for perishable stock at a premises shown on the declarations.

Utility Services – Direct Damage

Covers loss of or damage to covered property at a premises described in the declarations caused by interruption of service to the described premises. Types of services include water, communication supply, and power supply. Overhead transmission lines are included.

Valuable Papers and Records

Business personal property coverage extends to direct physical loss or damage to valuable papers and records the named insured owns or has in its care, custody, or control. The damage must be caused by or result from a covered cause of loss. This coverage includes the cost of researching lost information when there are no duplicates.

Water Backup and Sump Overflow

Covers damage to covered property from water backup from a sewer or drain and overflow from a sump pump.

Websites Business Income

Business income coverage for loss you sustain due to the necessary suspension of your operations caused by direct physical loss or damage by a covered cause of loss to your business computer hosting your business website at a premises listed on the declarations, or your business website operation at the premises of a vendor acting as your service provider.

Refer to the [Business Owner's Property Plus coverage explanation](#) for more information on these coverages.



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Cyber Suite

Central's Cyber Suite coverage is comprehensive coverage with multiple layers of insurance defense against the complex, ever-evolving cyber risks businesses face. Cyber Suite offers seven coverages to help businesses affected by data breaches and cyber attacks, including data compromise response expense, computer attack, cyber extortion, data compromise liability, network security liability, electronic media liability, and identity recovery.

Employment Practices Liability

Central's Employment Practices Liability (EPL) insurance helps protect small business employers from claims brought by employees alleging discrimination, wrongful termination, or harassment, including sexual harassment. EPL insurance pays for liability damages and defense costs due to covered claims brought by full-time, part-time, temporary, and seasonal employees.

Business Owner's Liability Plus

Additional Insured – Owners, Lessees, or Contractors – Automatic Status

Same as BP 1487 0713 Additional Insured – Owners, Lessees, or Contractors – With Additional Insured Requirement for Other Parties in Construction Contract. Includes completed operations when required by the contract.

Additional Insured – Managers or Lessors of Premises – Automatic Status

Same as BP 0402 0713 Additional Insured – Manager or Lessors of Premises endorsement, except coverage automatically applies when required by a written contract.

Additional Insured – Lessor of Leased Equipment – Automatic Status

Same as BP 0416 0713 Additional Insured – Lessor of Leased Equipment – Automatic Status endorsement, except coverage automatically applies when required by a written contract.

Additional Insured – Vendors – Automatic Status

Same as BP 0447 0713 Additional Insured – Vendors endorsement, except coverage automatically applies when required by a written contract.

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Additional Insured – Mortgagees, Assignees, or Receivers

Same as BP 0409 0713 Additional Insured – Mortgagee, Assignee or Receiver. Automatic Status endorsement coverage automatically applies when required by a written contract.

Waiver of Transfer of Rights of Recovery Against Others to Us

Same as BP 0497 0106. This waives any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard."

Newly Formed or Acquired Organizations

Same as BP 0454 0106. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a named insured if there is no other similar insurance available to that organization.

Knowledge of Occurrence, Offense, Claim, Suit, Unintentional Omission, and Unintentional Failure to Disclose Hazards

These three additions to the Duties in the Event of Occurrence, Offense, Claim, or Suit lighten the burden on the named insured. Specifically:

- e.) Notice of Occurrence: In the case where a Workers' Comp claim later develops into a general liability claim, the delay in general liability loss notice doesn't impair the insured's right to recovery under our policy if we are notified promptly thereafter.
- f.) Unintentional Errors and Omissions: The insurance afforded by this policy is not invalidated by any unintentional errors, omissions, or improper description of premises or your unintentional failure to disclose all hazards existing at the inception date of the policy.
- g.) Knowledge of Occurrence: Knowledge of an occurrence by your agent, servant, or employee is not knowledge by you unless an executive officer of your corporation received such notice from its agent, servant, or employee.

Non-Owned Watercraft and Non-Owned Aircraft Liability

This expands coverage in two ways:

- 1.) Covers non-owned watercraft up to 60 feet in length.
- 2.) Covers non-owned aircraft if not operated by any insured.

These enhancements cannot be purchased separately. This is an expansion on coverages already provided in the BOP coverage form (BP 00 03).

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Primary and Non-Contributory

Same as BP 1488 0713. This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- 1.) The additional insured is a named insured under such other insurance; and
- 2.) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

Supplementary Payments – Higher Limits

Provides higher limits on two supplementary payments. It cannot be purchased separately. This is an expansion on coverages already provided in the BOP coverage form (BP 00 03).

Fire, Sprinkler Leakage, or Explosion

Expands the “fire legal” coverage to include sprinkler leakage and explosion.

Aggregate Limits of Insurance

Combines the benefits of BP 1417 and BP 1418. Applies the general aggregate limit separately to each of the insured's projects or each of the insured's locations.

Refer to the [Business Owner's Liability coverage explanation](#) for more information on these coverages.

The coverages described here are in the most general terms and are subject to the actual policy conditions and exclusions. For actual coverage wording, conditions, and exclusions, refer to the policy or contact your Central agent.

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