## What BOP Insures?

BOP policy provides insurance for Business – Property, General Liability and covers Business Interruption as well.

1. **In Property coverages BOP covers** - Buildings (owned or rented, additions or additions in progress and outdoor fixtures). BOP will also cover any business-owned items or items owned by a third party but kept temporarily in the care, custody or control of the business or business owner.

**Note:** Business property must usually be stored or kept in qualifying proximity of business premises (such as within 100 feet of the premises).

1. **In General Liability Coverages** **BOP covers** company's legal responsibility for the harm it may cause to others.

This harm is a result of things that you and your employees do or fail to do in your business operations that may cause bodily injury or property damage due to defective products, faulty installations and errors in services provided.

1. **In Business Interruption BOP covers**- If business operation is disrupted due to fire or any other catastrophe then insurance company bears expense to again start the business and bring it to its earlier form and temporarily start it from any temporary location, as per covered in BOP.

**Kinds of BOP –**

1. Standard BOP- are the kind of BOP provides coverages which are also known as named-peril coverage, which provides coverage only for damage caused by events specifically listed in the policy (typically fire, explosion, wind damage, vandalism, smoke damage, etc.).
2. Special BOP- are the kind of BOP provides more comprehensive coverage known as open-peril or “all-risk” coverage.

**BOP Does not covers:**

1. Auto Insurance.
2. Professional Liability.
3. Worker’s compensation
4. Health and disability insurance.

##### Difference between general liability and professional liability –

The difference between general liability and professional liability is the types of risk they cover.

**General liability** protects against physical injury to people or damage to property arising from your daily operations. For example, a customer who falls through a board on their newly built deck could sue the hired contractor for faulty workmanship and bodily injury.

**Professional liability** covers negligence related to professional services or advice. It’s generally related to financial loss vs physical injury or damages. For example, a consultant could face a lawsuit for providing bad advice that resulted in financial loss to their client. No one was injured and no property was damaged, like in a general liability claim. This coverage is sometimes referred to as errors and omissions insurance, or E&O.