



Top Ten Coverages to Consider When Placing BOPs

Answer Key

1. Over the period of one year, an **employee** at your insured's music store **steals** valuable retail items. The thefts are **not discovered** until six months later. Is your insured covered for the value of the stolen goods?

With Store Pac, your insured would be covered by Employee Dishonesty, which is included up to the Business Personal Property Limit of Insurance or \$250,000 (whichever is less), for up to one year from the end of the policy period.

2. While your insured is at a **trade show**, products he has on **display** worth \$10,000 are destroyed in a fire. Is your insured covered for this loss?

Store Pac automatically covers for Business Personal Property, while your insured's property is at any fair, trade show or exhibition, as long as the insured does not own or regularly occupy the premises.

3. As part of his business, your insured often has **possession** of his **customers' property** on his premises. A **fire** destroys his building. Is your insured covered for the customers' property?

With Business Pac, Property of Others that is in the insureds care, custody or control is included, up to the Business Personal Property Limit of Insurance.

4. Your insured's **employee** is delivering the **business's cash** to the bank when he is **robbed**. Is your insured covered for the stolen money?

With Business Pac, Office Pac, Restaurant Pac, and Store Pac, Money and Securities is automatically included up to the Business Personal Property Limit of Insurance, while in the course of transit to and from the premises or temporarily away from the described premises.

5. Your insured's **business checkbook** is missing and, subsequently, someone **forges** a check on the **business's bank account** for \$1,000. Is your insured covered for the loss?

With Business Pac, Office Pac, Restaurant Pac, and Store Pac, any loss resulting from a stolen check issued by the insured and altered by a recipient is automatically included under Forgery or Alteration coverage, up to the Business Personal Property Limit of Insurance or \$250,000, whichever is less.



6. Two weeks ago, your insured acquired a **new location** that is **not listed** on the policy. The new location has a building worth \$200,000, stock and fixtures worth \$100,000 and grosses about \$250,000 in annual sales. A **fire** loss occurs during the policy period. Is your insured covered for the fire?

With all Pac types, Newly Acquired Buildings, Business Personal Property and Business Income and Extra Expense, at locations other than the described premises, are insured for \$250,000 each for a period up to 60 days or the policy expiration, whichever comes first.

7. A **building** you insure for \$200,000 suffers damage of \$100,000 in a fire. It costs an **additional** \$30,000 for **debris removal** from the site. Is your insured covered for this extra expense?

With all Pac types, the cost to remove debris of covered property that has been damaged by a Covered Cause of loss is covered up to 25% of the direct damage loss payment amount. If the property damage and debris removal loss together exhaust the limit of insurance or if the 25% of the direct damage loss amount proves insufficient to cover the debris removal expense, an additional <\$25,000> applies.

8. A business owner leaves a rag in a sink, causing water to **back up** and **overflow** onto the floor and, subsequently, **damages** his stock. Is your insured covered for this loss?

With all Pac types, water back up which occurs due to a blockage that originates on the described premises is automatically included.

9. **Goods** belonging to your insured's household furnishings store are **stolen** while being **delivered** to a customer on a company truck. Is your insured covered for the theft of goods in transit?

For Store Pac, Business Personal Property is insured while it is in the course of transit to and from the described premises, up to the Business Personal Property Limit of Insurance.

10. Your business owner's **personal** stereo system is **damaged** by water at his place of business. Is your insured covered for this loss?

With all Pac types, Personal Effects owned by the insured are insured for up to \$5,000 while the property is at the described premises.