Business Owner's Policy
Coverage 101

This checklist provides an overview of your BOP coverage and practical steps you can take to enhance your business protection.

The Checklist

Strengthen Your Protection with Contractual Risk Management

Ensuring proper documentation and proof of insurance protects against potential financial losses resulting from accidents, property damage, or legal claims. Contractual risk management reduces the likelihood of disputes by ensuring all parties have clear responsibilities and adequate coverage before a project begins.

Contractual Risk Transfer

Contractual risk transfer is the process of shifting potential risks, such as liability for accidents or damages, from one party to another through a contract. This transfer is often done by requiring one party have specific insurance coverage or naming another party as an additional insured.

Action Items
- ☐ Closely review contracts to ensure you're meeting all project insurance requirements
- ☐ Ensure any subcontractors have the minimum required coverage

Additional Insured

General contractors often require subcontractors to name them as an additional insured on the subcontractor's insurance policy, protecting them as an insured if a subcontractor's actions or work results in a claim.

Action Items
- ☐ Carefully review contracts and list the general contractor as an additional insured on your policy if required

Certificates of Insurance

A certificate of insurance proves you have the required insurance coverage for a project, helping to ensure all parties are protected in case of accidents, property damage, or legal claims resulting from your work.

Action Items
- ☐ Provide proof of insurance when requested
- ☐ Provide a new certificate of insurance upon renewal

Get to Know Your BOP Coverages

Property
Protects buildings and essential business personal property, including equipment, furniture, and inventory.

- **Tools and Equipment**
  Covers contractor tools and equipment from damage, theft, or loss, including while on a jobsite or in transit

- **Installation**
  Protects building materials, equipment, and supplies while in transit, in storage, and during installation

Liability
Covers third-party bodily injury, property damage, personal injury, and advertising injury claims—such as defamation, copyright infringement, or false advertising—arising from business operations.

Umbrella
Adds an extra layer of liability protection beyond your general liability policy, providing coverage for large claims exceeding policy limits.

Auto
Covers accidents, bodily injury, property damage, and legal liability claims involving business vehicles.

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Conduct an Annual Insurance Review

It's important to conduct an annual insurance review to ensure your coverage aligns with any business changes. Increased revenue, new equipment, and expanded operations are all factors to consider when determining your insurance needs.

Action Items

☐ Assess changes in revenue: Evaluate any significant increases or decreases in revenue that might affect your coverage needs

☐ Inventory new equipment: List any new equipment or assets purchased during the year that need coverage added

☐ Evaluate expanded operations: Consider any changes to your business model, including new locations, services, or products

☐ Review policy limits and deductibles: Ensure your policy limits and deductibles still meet your exposure risks

☐ Talk to your insurance agent: Schedule a meeting with your insurance agent to discuss the above and adjust coverage as needed

Invest in Safety Training

In 2022, the Bureau of Labor Statistics recorded 5,486 work-related fatalities and nearly three million nonfatal work-related injuries. Proactively investing in proper employee training protects your people, reduces injury downtime, and prevents losses. Below are a few steps you can take to foster a culture of safety.

Action Items

☐ Conduct Regular Safety Audits: Evaluate your job sites for potential hazards and ensure safety regulation compliance

☐ Implement a Reporting System: Establish a clear process for employees to report accidents, injuries, unsafe conditions, and near-miss incidents

☐ Encourage Employee Involvement: Include employees on safety committees to gather insights and foster an environment where everyone feels empowered to speak up about safety concerns

☐ Utilize Safety Resources: Incorporate materials from Central's loss prevention library to enhance your safety training programs

☐ Review Incident Reports: Analyze past incidents to identify trends and opportunities to improve your safety protocols and training

☐ Stay Informed on Regulations: Keep up to date on OSHA standards and industry regulations to ensure your training programs align with current best practices

Ready to take your site safety to the next level? Click here to access Central's free, in-depth loss prevention library.