

Understanding commercial package policies

Business Insurance

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For small businesses without specialized risks, a Business Owners Policy—or BOP—may offer the basic property and liability coverage that you need. But if your company is growing in size and complexity—or you face specialized risks due to the nature of your business—you may want to consider purchasing a Commercial Package Policy, or CPP for short.

Customized insurance under one policy

Like a BOP, a CPP enables you to bundle various types of coverage within a single policy. However, while a BOP has limitations—it is only available for certain types of smaller businesses and covers only a few types of risk—Commercial Package Policies are available for a wide range of businesses, and can be better customized to the specific needs of your business. Most CPPs begin with:

- **Property insurance** - Covers damage or destruction of buildings, equipment, inventory and more.
- **General liability insurance** - Covers costs if someone is injured at your business or from

using your product or service.

From there, you can add a range of coverages to your CPP, including:

- **Business income insurance** - Also known as business interruption insurance, this replaces lost revenues and covers extra expenses in the event that your business has to shut down or relocate due to fire, wind damage or other covered losses.
- **Business vehicle (or fleet) insurance** - Covers vehicles owned and used by your business.
- **Business crime insurance** - Covers losses from burglary, computer fraud, employee dishonesty and other business crimes.
- **Commercial umbrella liability** - Increases and broadens liability coverage, filling in gaps left by other coverages.
- **Electronic data processing coverage** - Covers costs associated with the loss or damage of electronic data processing media or equipment.
- **Equipment breakdown**—Also known as boiler and machinery insurance, this covers losses from the malfunction of heating, electrical, air conditioning, telephone systems and other equipment.
- **Employment practices liability**—Covers costs tied to disputes with employees over termination, discrimination, sexual harassment and other employment issues.
- **Inland marine**—Covers the transport of goods over water and land, providing comprehensive protection for assets that are moveable or mobile in nature, while in transit—such as from a warehouse to a store—or in storage.
- **Pollution liability**—Covers costs related to pollution, including clean-up and personal injury.

A range of other types of insurance—covering professional liability, supply chain risk, terrorism, farming or ranching losses, and more—can also be included in a CPP.

What a CPP doesn't cover

A CPP can provide your business with coverage against a broad range of risks. That said, it's important to recognize that your CPP will not include:

- Directors and Officers (D&O) liability
- Health and disability
- Life insurance

- Workers compensation

These coverages must be purchased separately; discuss your additional insurance needs with your insurance professional.

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