



AAHA BUSINESS INSURANCE PROGRAM  
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## Property Coverage, General Liability, Umbrella, Professional Liability—What’s the Difference?

### Practice Owners Package (also referred to as a Business Owner’s Package or BOP)

A package policy consists of two main parts: business property and business liability protection. The property coverage responds to losses or damage to physical property caused by a covered peril. Business liability (also referred to as general liability) responds to losses such as if someone is injured as a result of a negligent act or omission in the operation of the practice (e.g., a client slips and falls on a wet surface in the reception area).

In addition to property and liability coverages, the AAHA Business Insurance Program package policy offers protection for damage to valuable records and papers, perishables, and computers and media, among others. Every policy includes loss of income from off-premises power interruption and business interruption coverage. One of the unique coverages that a practice owner will likely not find in a standard policy is protection against damage to buildings and contents caused by animals in the practice’s care, custody, or control. Umbrella liability, commercial auto, and mobile loss of income and extra expense coverages are also available.

### Umbrella Liability

Umbrella liability policies provide an additional layer of protection in the event of a catastrophic loss and provide primary coverage for some claims not covered by other policies. Consider the many different types of insurance policies you have. Each day you risk incurring a loss that could exceed the limits of any one of your policies. For example, if you own a practice, you face the risk of a client or vendor tripping and falling on your premises and sustaining serious or permanent injuries.

Commercial umbrella policies provide liability coverage when the limits of the following policies are exhausted: 1.) commercial general liability, 2.) commercial automobile liability, and 3.) the employer’s liability section of your workers’ compensation policy.

The limits of these policies are referred to as “underlying limits.” The insurance company providing the commercial umbrella policy will require you to obtain specific levels of underlying limits for your commercial policies. These requirements vary with the insurer.

Commercial umbrella policies do not extend coverage to professional liability or employment practices liability exposures. Therefore, consider purchasing higher limits on these policies.

A common and dangerous misconception is that a practice owner’s commercial umbrella policy will cover personal exposures, such as owning or renting a home or driving a personal vehicle. For a



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commercial umbrella policy to respond to a loss, the loss must result from the activities of the insured business.

### Employment Practices Liability

Employment practices liability (EPL) responds to allegations such as wrongful termination, discrimination, and sexual harassment. Employment risks are not covered under your professional liability policy, and many business insurance policies provide low limits (if any) for these perils. The EPL policy available through the AAHA Business Insurance Program contains a duty to defend clause and provides a toll-free employment issues helpline. Furthermore, it offers an optional punitive damage sublimit—most EPL policies exclude punitive damages. For more information, contact the AAHA Business Insurance Program at 866-380-AAHA, extension 4699.

### Professional Liability (also referred to as malpractice insurance)

This coverage responds when veterinarians are accused of professional malpractice. Be sure that every veterinarian working at your practice carries his or her own individual policy.



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