

# Coverage Insights

Brought to you by: Winters-Oliver Insurance Agency



**WINTERS-OLIVER**  
INSURANCE AGENCY, INC.

## Blanket Insurance Coverage for Commercial Properties

Most commercial properties use a form of insurance referred to as “specific coverage,” in which a specific property is insured for a named risk, such as fires, floods, thefts and more. However, specific coverage is also somewhat limited; oftentimes one policy will only cover one named risk at one location.

Blanket coverage, on the other hand, can offer protection for a number of different properties and risks. Under a blanket policy, you can group together coverage for multiple buildings and the property in them as long as the buildings are all similar in nature and function.

As a result, blanket coverage can make it easy and convenient to cover all the risks that threaten your properties. However, it’s important to know the characteristics of blanket coverage to see if it can adequately protect your business.

### Blanket Insurance Basics

Because blanket insurance can offer coverage for multiple locations, it can often be useful for businesses such as apartment complexes and restaurant chains. However, properties covered under a blanket policy must be similar in nature. For example, a blanket policy would usually not cover a business’s warehouse and storefront under the same policy.

Coverage under a blanket policy is generally triggered in the event of any loss associated with a named property. This can include fires, floods, thefts, personal injury liabilities and more. And, although it typically costs more than specific coverage, blanket coverage often provides broader protection than specific coverage by protecting against all of these liabilities simultaneously.

Additionally, blanket policies also offer protection for any equipment, inventory or furnishings located in or around covered structures. Unlike specific coverage, which only provides protection for items that are individually listed in the policy, blanket coverage provides broad coverage for your business’s property—even if it’s moved between two or more locations. This allows for more flexibility if you need to frequently move equipment to conduct business.

### Coverage Limits

Under blanket coverage, all of your covered buildings and the property in them is covered until the total policy limit is hit.

For example, imagine if your business owns three warehouses that are each valued at \$1.5 million. As a result, you would purchase a blanket policy with a limit of \$4.5 million to protect all three properties. If one warehouse was destroyed in a fire and the cost to replace the building was actually \$1.75 million—more than the originally estimated value of the property—your blanket policy would still provide full coverage (up to the \$4.5 million limit). A specific coverage policy in the same scenario would only reimburse you up to the limit of the single property.

### Finding the Right Policy for You

Although blanket coverage often provides broader protection than specific coverage, the policy that’s right for you can vary based on a variety of factors. Contact us today at 804.746.5178. We can work with you to determine your unique risk profile and which coverage is right for each of your properties.

---

This Coverage Insights is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel or an insurance professional for appropriate advice. © 2016 Zywave, Inc. All rights reserved.