

A

Accelerated Death Benefits (ADB) When the holder of a life insurance policy is terminally ill and needs the money for medical and living costs; they may request an accelerated death benefit. This pays the benefit of the life policy before death.

ACCIDENT AND HEALTH INSURANCE Coverage for accidental injury, accidental death, and related health expenses. Benefits will pay for preventative services, medical expenses, and catastrophic care, with limits.

Accidental Death and Dismemberment (AD&D) A type of life insurance that pays in the case of the death or dismemberment of the insured from an accidental cause.

Accounts Receivable Coverage This coverage provides protection for the following losses:

- All sums due you from customers, providing you are unable to effect collection thereof as a direct result of loss or damage to records of accounts receivable.
- Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectable by such loss or damage.
- Collection expense in excess of normal collection cost made necessary because of such loss or damage.
- Other expense, when reasonably incurred by you in re-establishing records of accounts receivable following loss or damage.

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Actual Cash Value (ACV) "Actual Cash Value" is the replacement cost of property damaged or destroyed at the time of loss, with deduction for depreciation. Actual cash value cannot exceed the applicable limit of liability shown in the declarations of the policy, nor the amount it would cost to repair or replace such property with material of like kind and quality within a reasonable amount of time after a loss.

ACTUARY A professional person, skilled in the analysis, evaluation, and management of statistical information. An actuary evaluates insurance firms' reserves, determines insurance rates and rating methods, and is able to determine other business and financial risks.

ADDITIONAL COVERAGES This refers to extra coverage that can be purchased to provide protection above and beyond that provided in the original or standard policy (i.e., purchasing a higher amount of coverage to protect against the theft of certain items like jewelry). When such additional coverage is purchased, it becomes an Endorsement or Rider to the original policy.

Additional Insured An individual or entity that is not automatically included as an insured under the policy of another, but for whom the named insured's policy provides a certain degree of protection. An endorsement is typically required to affect additional insured status. The named insured's impetus for providing additional insured status to others may be a desire to protect the other party because of a close relationship with that party (e.g., employees or members of an insured club) or to comply with a contractual agreement requiring the named insured to do so (e.g., customers or owners of property leased by the named insured).

Additional Named Insured

1. An individual or entity, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations.
2. An individual or entity that is added to a policy with the status of named insured after the policy is written. Such an individual or entity would have the same rights and responsibilities as an individual or entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured). In this sense the term can be contrasted with additional insured, an individual or entity added to a policy as an insured but not as a named insured. The term additional named insured has not acquired a uniformly agreed-upon meaning within the insurance industry, and use of the term in the two different senses defined above often produces confusion in requests for additional insured status between contracting parties.

Additions and Alterations Coverage Additions and Alterations coverage protects any additions, alterations, and improvements you make to your unit, for up to 10% of your contents limit. This coverage can be increased. Advertising Injury Liability Coverage

"Advertising Injury" means injury rising out of an offense committed in the course of your advertising activities, if such injury rises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition or infringement of copyright, title or slogan.

ADJUSTER An individual employed by an insurer to evaluate losses and settle policyholder claims. Independent adjusters are independent contractors who adjust claims for different insurance companies.

AGENT Insurance is sold by two types of agents: independent agents and exclusive or captive agents. Independent agents are self-employed, often representing several different insurance companies and are paid on commission. Exclusive or captive agents represent only one insurance company and can be either salaried or work on commission. Insurance companies that use exclusive or captive agents are called direct writers.

Aggregate A limit in an insurance policy stipulating the most it will pay for all covered losses sustained during a specified period of time, usually one year. Aggregate limits are commonly included in liability policies. While not often used in property insurance, aggregates are sometimes included with respect to certain catastrophic exposures, e.g., earthquake and flood.

The dollar amount of reinsurance coverage during one specified period, usually 12 months, for all reinsurance losses sustained under a treaty during such period.

Agreed Amount Endorsement This endorsement is an agreement made by the insurance company wherein it waives the coinsurance clause on the specified property. As long as this endorsement is in effect, there would be no coinsurance penalty at the time of a claim.

By combining an Agreed Amount Endorsement with a Replacement Cost Endorsement (see separate explanation), you can obtain an unusually high quality of insurance coverage.

Aircraft Coverage Typically sold as a package policy comprised of physical damage (hull), personal injury and liability coverage's. Protects from the risks associated with owning and operating an aircraft.

All-Risk Insurance An insurance policy that covers everything not specifically excluded. Most often associated with property coverage. An All-Risk policy is the opposite of a Named Perils insurance policy.

ANNUITANT The person or persons who receive the income from an annuity contract.

ANNUITY This is an insurance product that pays income benefits periodically for a specific period of time or over the course of the annuitant's lifetime. Deferred annuities allow assets to grow tax deferred over time before being converted into payments to the annuitant. (See annuitant) Immediate annuities allow payments to begin within a specified time after purchase.

APPORTIONMENT The proportional dividing of a loss among two or more insurers that cover the same loss.

APPRAISAL A survey to find out how much something is worth, to determine its insurable value, or the amount of a loss.

Assigned Risk A method to provide insurance to the uninsurable. In mandatory insurance states, everyone must have insurance regardless of their risk or record. These states require that each company writing insurance in their state must take a number of clients that they would not insure otherwise.

AUTO INSURANCE This is a type of insurance that protects the policyholder against losses involving automobiles. Different amounts of coverage can be purchased depending on the requirements of the person purchasing the insurance. Auto insurance rates are determined by a variety of factors which often differ from insurance company to insurance company. There are basically six different types of coverage available. Some of these are required by law, while others are optional. They are:

- Bodily injury liability: This is for injuries the policyholder causes to someone else.
- Medical payments or Personal Injury Protection (PIP): This is for treatment of injuries to the driver and passengers of the policyholder's car.
- Property damage liability: This is for damage the policyholder causes to someone else's property.
- Collision: This is for damage to the policyholder's car from a collision.
- Comprehensive: This is for damage to the policyholder's car not involving a collision with another car (including damage from fire, explosions, earthquakes, floods, and riots), and theft.
- Uninsured motorist's coverage: This is for costs resulting from an accident involving a hit-and-run driver or a driver who does not have insurance.

AUTO INSURANCE PREMIUM Based on the frequency and cost of potential accidents, theft and other losses, this is the price an insurance company charges for coverage. Prices can vary significantly from company to company.

Aviation Insurance Typically sold as a package policy comprised of physical damage (hull), personal injury and liability coverage's. Protects from the risks associated with owning and operating an aircraft.

B

Bailee Coverage Inland marine coverage on property entrusted to the insured for storage, repair, or servicing. It is typically purchased by businesses such as dry cleaners, jewelers, repairers, furriers, etc.

Basic Limits The minimum limits of liability as required by state or local law.

Beneficiary The person or persons named to receive the benefits (payout) from a life insurance policy.

Binder A binder is a legal agreement that serves to effect insurance coverage for a specified period of time until the actual insurance policy can be issued. A binder can be issued by either an insurance agent or company and must provide the following information:

Name of insured Type of insurance coverage Limits of insurance Covered perils Name of insurance company Blanket Coverage For property insurance, a blanket sets a single limit (maximum payout) for multiple buildings or risks. For health insurance, a blanket covers an entire group for a list of coverage's (i.e. medical, dental, etc.).

Blanket Insurance Blanket insurance provides coverage under a single limit for the following:

Two or more items (e.g., Building and/or Contents) Two or more locations (e.g., Location A and/or Location B) A combination of items and/or locations

Block Policy A block policy provides a form of inland marine insurance. It covers loss to the property of a merchant, wholesaler, or manufacturer including:

Property of others in the insured's care, custody, or control Property on consignment Property sold but not delivered A block policy will cover loss caused by most perils (including transportation), subject to certain limitations as specified in the policy exclusions. Common block policies are jeweler's block and furriers block policies.

Bobtail Coverage Covers an empty truck returning from a drop-off (known as deadheading) when the contracting client's insurance may not be in effect.

Bodily Injury Coverage "Bodily injury" is defined as meaning bodily harm, sickness, or disease, including required care, loss of services, and death that results.

Boiler and Machinery Coverage This form of insurance provides mechanical breakdown coverage generally not available under any other insurance policy. A Boiler and Machinery policy can protect an insured against the effects of catastrophic property loss, such as steam boiler explosion or an expensive breakdown of machinery and equipment.

But it's not just the physical damage caused by the explosion or breakdown that's of concern. While repairs are being made, valuable time and profits are lost. Business Interruption coverage protects against this. Often Extra Expense coverage is required to keep the business in operation regardless of cost. Consequential Damage and Refrigeration Interruption insurance protect against spoilage as the result of a breakdown. Many times these business interruption, extra expense and spoilage losses can be much more extensive than the damage to the equipment itself.

Equally important is the very valuable inspection service that Boiler and Machinery insurance can provide. Not only does this service satisfy most jurisdictional inspection requirements, but it also can benefit the insured by providing sound loss control recommendations that can help assure efficient operation and longer equipment life.

Virtually every commercial business has some type of Boiler and Machinery insurance exposure. Keep in mind that mechanical breakdown coverage encompasses much more than just boilers and pressure vessels. It also can include refrigeration equipment, air conditioning equipment, various types of piping, turbines, engines, pumps, compressors, blowers, gearing, shafting, electric motors, generators, transformers and assorted other types of mechanical and electrical equipment. In fact, many policies are written for insured's who do not own or operate boilers or pressure vessels, but yet have sizable mechanical and electrical exposures.

Bond A three part contract in which one party guarantees the performance, act or behavior of another party for a third party. The two most common types of bonds are Surety and Fidelity.

BROKER An insurance broker is an intermediary between a customer and an insurance company. Insurance brokers search the market for the appropriate coverage for their clients, typically working on commission.

Builders' Risk Coverage Indemnifies for loss of or damage to a building under construction. Insurance is normally written for a specified amount on the building and applies only in the course of construction. Coverage customarily includes fire and extended coverage and vandalism and malicious mischief. Builders risk coverage can be extended to a "special" form as well. The builders risk policy also may include coverage for items in transit to the construction site (up to a certain percentage of value) and items stored at the site.

Business Auto Coverage Designed to provide a standard method of insuring vehicles other than private passenger automobiles.

Business Interruption Coverage This form of insurance provides loss of

income coverage (i.e. "disability income") for your business by replacing your operating income during the period when damage to the premises or other property prevents income from being earned.

It is by means of your operating income that your business meets its expenses of payroll, light, heat, advertising, telephone service, etc., and from which your profit is derived. If you suffer a business interruption and have to close for several months or operate at reduced pace because of fire or other perils covered by your Earnings insurance, this income will cease or be reduced.

For the purpose of this insurance coverage, "earnings" are defined as the actual loss sustained by the insured as a direct result of business interruption necessitated by damage or destruction of real or personal property. The damage or loss must be caused by the insured perils.

Furthermore, "business income" is defined as the sum of total net profit, payroll expense, taxes, interest, rents, and all other operating expenses earned by the business.

The amount of coverage your Earnings insurance provides is established on the basis of either amount of insurance or actual loss sustained for each 30-day period of necessary business interruption caused by damage or loss from covered perils. There are several ways to set up Business Interruption depending upon your particular business. Monthly limitations, coinsurance, maximum time period to be paid, etc.

In addition to Business Interruption insurance, it is also advisable to carry Extra Expense insurance (see separate coverage explanation).

Business Owners Package (BOP) A single insurance policy which provides many types of coverage's such as business auto, liability and property. BOPs are created and available for small to medium sized businesses and specifically for many specialized industries.

C

Cancellation The end of an insurance policy. Usually applied to the premature ending of the policy for nonpayment but may be used to describe the ending of any insurance policy.

CAPTIVE AGENTA captive agent is an agent who sells insurance for only one company, as opposed to an independent agent who represents several companies.

Cargo Insurance Cargo insurance is another name for inland marine insurance

which covers loss to moving or moveable property and is an outgrowth of ocean marine insurance. Historically, ocean marine insurance held the transporter responsible for property loss before, during, and after the completion of the voyage. In the 1800's, the non-ocean portion of the journey grew as cargoes were transferred to barge, etc., and the term "inland marine" was coined. Inland marine policies became known as "floaters" since the property to which coverage was originally extended was essentially "floating."

Certificate of Insurance An official document created by an insurance carrier or agent to prove insurance coverage to a third party.

Claim The formal request by a policy holder or claimant to be paid under the terms of the insurance policy.

Claims Made A method of providing liability insurance in which the insurer agrees to cover all claims asserted against the insured during a specified date period regardless of when the claim occurred. All claims-made policies have a "retro" date which specifies the beginning date for claims to be considered.

COBRA COBRA is the short term for Consolidated Omnibus Budget Reconciliation Act, which is a federal law under which group health plans sponsored by employers with 20 or more employees must offer continuation of coverage to employees who leave their jobs. It is the employee's responsibility to pay the entire premium. Coverage can be extended up to 18 months and surviving dependents can receive longer coverage.

Coinsurance Coinsurance is an arrangement by which the insured, in consideration of a reduced rate, agrees to carry an amount of insurance equal to a percentage of the total value of the property insured.

An example is if you have guaranteed to carry insurance up to 80% or 90% of the value of your building and/or contents, whatever the case may be. If you don't, the company pays claims only in proportion to the amount of coverage you do carry.

Collision Coverage This covers loss to the insured person's own vehicle caused by its collision with another vehicle or object.

Commercial General Liability Coverage (CGL) An all encompassing type of insurance policy which covers all liability exposures for all locations and causes of loss except those specifically excluded in the policy.

Commercial Multi-peril Describes a type of package policy which covers more than one peril or cause of loss in a single policy. Should not be confused with a

commercial package which provides several types coverage's in a single policy.

Commercial Package Policy (CPP) A single insurance policy which combines several types of insurance coverage's. A typical CPP might contain coverage for property, liability, crime, auto, inland marine and boiler and machinery.

Commercial Property Coverage Protects against physical damage to buildings, contents, stock, and equipment. The terms and conditions of coverage are determined by the limit of insurance chosen by the policyholder. The limit is based on the items that the policyholder wishes to insure; i.e., buildings, stock, machinery, valuable papers, etc. Business Interruption and Extra Expense Coverage can also be provided under a Commercial Property policy. Business Interruption protects the policyholder against lost profits as a result of direct damage to the facility. Extra Expense provides payments for those extraordinary expenses necessary to continue operations after physical damage to the policyholder's facility.

Completed Operations Liability Coverage This form of liability insurance provides coverage for bodily injury and property damage rising from completed or abandoned operations, provided the incident occurs away from premises owned or rented by the insured.

Operations are deemed completed at the earliest of the following items:

- When all operations to be performed by or on behalf of the insured under contract have been completed.
- When all operations to be performed by or on behalf of the insured at the site of the operations have been completed.
- When the portion of work out of which injury or damage rises has been put to its intended use by a party other than the contractor or subcontractor.

Comprehensive Automobile Coverage Owned Automobiles - Covers liability arising out of the ownership, maintenance or use of automobiles. **Hired Automobiles** - Covers liability for the use of hired automobiles in your business. **Non-Owned Automobiles** - Covers liability for the use of non-owned automobiles in your business. An example would be an employee using his/her own car on an errand for you. **Uninsured Motorists** - Protects insured's who are not contributory negligent against bodily injury caused by negligent uninsured motorists. **Comprehensive** - Pays for damage to or the loss of automobiles from perils other than collision. A deductible applies. **Collision** - Pays for damage to or the loss of automobiles from upset or collision with

another object. A deductible applies.

Comprehensive General Liability Coverage Under this form of insurance and regarding a covered occurrence, the company will pay all sums the insured becomes legally obligated to pay as damages due to:

3. Bodily injury (Coverage A)

4. Property damage (Coverage B)

The insurance company has the right to defend any suit against the insured seeking damages for bodily injury or property damage, even if any of the allegations of suit are groundless, false, or fraudulent, and to make such investigation and settlement of any claim or suit as it deems expedient. However, the company is not obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payments of judgments or settlements.

COMPULSORY AUTO INSURANCE This is the minimum amount of auto liability insurance required to meet a state law. Financial responsibility laws in every state require all automobile drivers to show proof, after an accident, of their ability to pay damages up to the state minimum. In compulsory liability states this proof is required before you can legally drive a car. (The proof is usually in the form of an auto insurance policy).

Consequential Loss or Damage Consequential loss or damage -- as opposed to direct loss or damage -- is indirect loss or damage resulting from loss or damage caused by a covered peril, such as fire or windstorm. In the case of loss caused where windstorm is a covered peril, if a tree is blown down and cuts electricity used to power a freezer and the food in the freezer spoils, if the insurance policy extends coverage for consequential loss or damage then the food spoilage would be a covered loss. Business Interruption insurance extends consequential loss or damage coverage for such items as extra expenses, rental value, profits and commissions, etc.

Contents Contents includes just about anything in the home (including garage and outbuildings) belonging to the policyholder or a member of his family living in the same house, or to resident domestic servants. It also includes property, which is not owned by the policyholder but for which he is responsible, such as rented property. Furniture, furnishings, household goods, electrical appliances, food and drink, clothes, and money up to a specified limit all count as 'contents'. Also included are movable fixtures and fittings, for example, special lighting fittings which would be taken away on removal. Fittings, which would be left in the house, such as built-in furniture, count as part of the 'buildings', although fitted carpets are classed as 'contents'. Certain types of property are excluded. The cover applies principally to contents actually inside the home, although there

is some cover under a 'standard' policy for contents temporarily away from the home. Some policies also include theft of household contents from the garden or immediate vicinity of the home.

Credit Life Coverage Similar to a life insurance policy for the amount of a loan. Pays off the loan if the debtor dies. Normal term life insurance is usually a better deal.

CREDIT RATING An evaluation of an entities financial strength.

CREDIT SCORE This is the number produced by an analysis of an individual's credit history. Credit history is routinely reviewed by insurers before issuing a policy. Car and home insurers may use the information in a credit history to produce an insurance score, which may affect the pricing of an insurance policy.

Crime Insurance Crime Insurance pays an owner for the loss of property due to its wrongful taking by someone else through employee dishonesty, burglary, robbery, or theft. There are many different types of crime coverage available, including coverage for computer theft and fraud.

Crop Coverage Insures growing crops against hail damage. In addition to hail, most policies also cover damage from wind, lightning, drought, frost, snow, sleet, etc.

Cross Liability Coverage In the event of claim by one insured for which another insured covered by the same policy may be held liable, this endorsement covers the insured against whom the claim is made in the same manner as if separate policies had been issued. However, it does not operate to increase the insurance company's overall limit of liability.

D

Death Benefit The amount that will be paid to the beneficiary of a life insurance policy upon the death of the insured party.

Debris Removal Clause This pays for the insured's expenses to remove debris of covered property caused by a Covered Cause of loss. This does not include "pollutants" and must occur during the policy period and reported within 180 days of the occurrence.

Deductible An excluded amount or threshold for payment on an insurance policy. A \$500 deductible would mean the insurance policy will start paying after they have deducted the first \$500 the owe you.

DEPRECIATION A decrease in the value of property over a period of time resulting from use, obsolescence, or wear and tear.

Difference in Conditions (DIC) Coverage DIC insurance provides coverage designed to close specific gaps in standard insurance policies and is usually available only for larger industrial or commercial risks. It allows coverage to be customized to extend to such exposures as water damage, flood, collapse, earthquake, landslide, etc., according to the insured's needs. DIC coverage may be provided by means of a separate insurance policy or it may be added by endorsement to the basic policy.

Directors and Officers (D&O) Liability Coverage Almost any day to day decision or action by anyone in the organization can trigger a lawsuit. Of all the lawsuits brought against nonprofit organizations, more than 50% involve employees. Even with the most diligent efforts to prevent employment disputes, the following claims can and are often alleged against businesses:

- Discrimination due to race, sex, age, national origin, religion, disability, or sexual orientation
- Wrongful termination
- Sexual harassment
- Promotions and compensation
- Interference with employment contract
- Hiring decisions
- Conflicts of interest
- Libel, slander, and defamation of character
- Failure to supervise employees
- Invasion of privacy
- Copyright infringement, misrepresentation of ideas, and unauthorized use of logos

Disability Coverage A form of health insurance which pays a monthly or weekly income to you if you should become unable to work. In California, Hawaii, New Jersey, New York and Rhode Island it is an extension of their workers compensation coverage.

Drive Other Car Coverage Coverage applicable to employees or executives of a company or any other person who is supplied a company vehicle, but who does not own a personal vehicle, thereby not having personal automobile coverage.

An endorsement may be added to the automobile policy of the company that furnishes the automobile, giving protection while the named individual or a member of his family is driving a car borrowed from a third party (other than the vehicle named in the policy). Individuals who are owners of the company qualify for the "individual named insured" endorsement, which includes family coverage. The drive other car coverage is usually added at little additional premium charge.

Dwelling The structure of the home, namely the foundations, walls, floors, doors, windows, roof, plumbing, fixed electrical wiring, decorations, and insulation. It also includes permanent fixtures and fittings, such as kitchen units and fitted bedroom furniture.

The general rule is that everything immovable that would be left behind on removal is treated as 'dwellings', and everything else as 'contents'. Fitted carpets are however generally treated as 'contents'; and whether TV and radio aerials are treated as 'dwelling' or 'contents' varies between insurers. 'Dwelling' also extends to include outbuildings, garages, greenhouses and sheds; paths, drives, walls, and patios; and - for most of the risks covered by policy - fences and gates.

E

Earned Premium The amount of the policy premium used at the time of a cancellation or expiration relative to the policy term. For example, if the policy term is one year then the earned premium at the six month point is 50% of the total premium. This is not an indicator of how much you'll get back if you cancel the policy because the total premium was partially based on the term.

Earthquake Coverage Protects against damage by earthquakes and earth movement. Deductibles are typically a percentage of the property value.

Effective Date The first day of a policy term. Denotes the beginning of the insurance coverage.

Electronic Data Processing (EDP) Coverage A Standard property insurance policy leaves something to be desired in addressing special EDP-related exposures. Electronic data processing equipment and its software is particularly susceptible to damage from electrical or magnetic disturbance and changes in

temperature or humidity -- perils which are excluded in a standard "special" perils property policy. Except for prepackaged software programs, which are typically covered on an actual cash value basis, coverage for programs and data in a standard property policy is essentially limited to replacement with blank tapes or diskettes plus transcribing expense. Finally business interruption coverage in connection with damaged EDP Media {not equipment} is limited to 60 days from the date of loss or the time when the other damaged property is repaired, whichever is longer. Therefore, if the building repairs are complete, but normal operations cannot resume because replacement computer programs, data or media are not readily available, an uninsured business interruption loss may result.

The best way to resolve these coverage inadequacies for EDP exposures is to buy a special EDP policy. Typically, EDP policies provide "special" peril coverage similar to that provided by "special" property forms, PLUS coverage for all electrical and magnetic damage, mechanical breakdown and often temperature and humidity changes as well. Some insurers include these perils in the basic form, while others make them available by endorsement for an additional premium. Usually this broader coverage's are subject to a higher deductible as well. Valuation can be on either a replacement cost or actual cash value basis, and coverage may be available on a blanket as well as a scheduled basis. Media coverage includes the cost to reconstruct software developed in-house {subject to the limit of liability selected for the coverage}, if necessary.

Perhaps most importantly, an EDP policy will respond appropriately to extra expense or income loss from the loss of EDP equipment, programs and data, provided that these coverage options in the policy have been elected and adequate limits of liability have been established.

Employee Benefits Plan Liability Coverage Protects the insured employer against claims by employees or former employees resulting from negligent acts or omissions in the administration of the insured's employee benefits programs.

The term "employee benefits programs" is defined to include group life insurance and group accident and/or health insurance; profit sharing plans; employee stock subscription plans; and workers' compensation, unemployment insurance, social security benefits, disability benefits, etc.

Coverage is intended to extend to the "administration" of these plans, including counseling employees, interpreting employee benefits programs, handling records, enrolling/terminating/cancelling employees in specified plans on a timely basis, etc.

Employee Dishonesty Coverage Employee dishonesty coverage protects an employer from financial loss due to the fraudulent activities of one or more

employees. The coverage includes protection for loss of money, securities, and other property of the insured.

Some scheduled policies are still available, but the majorities are written on a blanket basis. This provides coverage for all employees, subject to the policy definitions.

The limit of liability is "per loss" and is applied on an "occurrence" basis. All acts involving the same employee or group of employees is considered one occurrence.

Employment Practices Liability Coverage Protects the corporation, directors & officers and employees for claims resulting from wrongful termination, discrimination, sexual harassment, wrongful discipline and failure to employ or promote.

Whether you are right or wrong in the eyes of the jury, the typical defense costs alone average \$100,000 - \$200,000 per case!

ENDORSEMENT An endorsement is an attachment to an insurance policy that amends and alters the coverage provided in the policy. An endorsement may also be called a Rider.

Errors & Omissions Coverage Coverage for liability resulting from errors or omissions in the performance of professional duties. Applicable as a general rule to professional business activities such as banking, accounting, law, insurance and real estate.

EXCLUSIONS Exclusions are specific conditions, situations or circumstances that are listed in the insurance policy as not being covered.

F

Face Value In life insurance, the benefit amount of the policy.

Fidelity Bond Insures an employer against acts of employee dishonesty such as theft or embezzlement.

Fiduciary Liability Coverage Fiduciary liability, also known as pension trust liability, provides coverage for loss that the insured becomes legally liable to pay because of a claim made against the insured for any alleged wrongful act by such insured or by any other person for whom the insured is legally responsible. It also covers the defense costs in connection with a covered claim. The policy is written on a claim made form.

A wrongful act includes any violation of the responsibilities, obligations, or duties imposed on fiduciaries by the Employee Retirement Income Security Act (ERISA), as well as acts, errors, or omissions in the performance of the duties of the plan administrator.

The ERISA definition of a fiduciary is very broad. It is any person so named in the plan or any person who exercises any discretionary authority or control with respect to the management or administration of the plan or its assets.

The rules and regulations of ERISA include strict guidelines for fiduciaries. Failure to comply can result in lawsuits from employees, former employees, and beneficiaries, as well as the Secretary of Labor, Treasury Department, and Pension Benefit Guarantee Corp. The sponsor corporations as well as the individual fiduciaries are at risk.

ERISA also has a broad definition of what is considered an employee benefit plan. It includes any plan, fund, or program established or maintained for the purpose of providing employee benefits to its participants or beneficiaries. Under a fiduciary liability policy, the insured includes the following:

- The sponsor organization
- The plan(s)
- Any natural person in his/her capacity as fiduciary or administrator of the plan(s)
- Most fiduciaries are unaware of their personal financial risk or that of the sponsor organization. Fiduciary liability coverage provides one way of reducing the risk and providing protection for the sponsor organization and individual fiduciaries.

FINANCIAL RESPONSIBILITY LAW This is a state law requiring that all automobile drivers show proof that they can pay damages up to a minimum amount if they are involved in an auto accident. This varies from state to state but can be met by carrying a minimum amount of auto liability insurance.

Fire Coverage Also known as property insurance, this coverage protects against property losses by fire or lightning. Also covers smoke and water damage from a fire.

Fire Legal Liability Coverage Coverage needed if you occupy leased or rented property for which you could be held legally liable for damage to the property due to fire or explosion.

First Dollar Coverage An insurance policy that doesn't have a deductible and begins paying on the first dollar of loss.

Floater An insurance policy that "floats around" with whatever is insured regardless of where.

FLOOD INSURANCE Flood damage is covered under the comprehensive portion of an auto insurance policy, but "flood insurance" is available from the federal government under the National Flood Insurance Program. It is sold by licensed insurance agents. Flood damage is typically excluded under homeowner's policies and many commercial property policies.

Forgery or Alteration Coverage This type of insurance covers loss sustained through forgery or alteration of outgoing negotiable instruments made or drawn by you, or drawn on your account(s), or made or drawn by one acting as your agent. This includes loss caused by any of the following:

*Checks or drafts made or drawn in your name, payable to a fictitious entity.

*Checks or drafts, including payroll checks, executed through forged endorsements.

*Alteration of the amount of a check or draft.

G

Gap Coverage Insurance purchased to cover the "gap" between primary insurance and an excess policy.

Garage keepers Legal Liability Provides coverage to owners of storage garages, parking lots, etc. for liability as bailees with respect to damage to automobiles left in their custody. Coverage is contingent upon establishing liability on the part of the insured.

General Aggregate Limit The total amount that will ever be paid by an insurance policy regardless of the number of claims made against it.

GROUP INSURANCE This is single policy, typically covering a group of

individuals and their dependents. The group is usually employees of the same company or members of the same association.

H

Health Insurance A catch all term for insurance that affords protection from an illness or injury which results in a loss of life, a loss of earnings or out of pocket expenses. Some examples of health insurance are disability insurance, medical insurance, dental insurance, etc.

Health Maintenance Organization (HMO) A health insurance plan which requires you to work through the insurers affiliated physician and facility network resulting in lower health costs than other health insurance plans. Patients typically small pay a flat rate amount per visit or prescription. HMO plans typically require you to specify a primary care physician from their list of doctors. The primary care physician must authorize any and all referrals to other doctors for treatment to be covered.

Homeowners Insurance Insurance that combines liability insurance and hazard insurance. Required by most mortgage lenders.

Host Liquor Liability Coverage Protects the hosts of business or social functions where alcoholic beverages are sold or served.

I

Indemnification When insurance policies are written on an "indemnification" basis, the insurance company will reimburse the insured for claim costs already paid. Technically, the insured must not only suffer a loss, but must also pay the loss before being reimbursed (indemnified) by the company.

Indemnity Making whole. The act of reimbursing or otherwise paying an injured party for an incurred loss. In life insurance, the amount paid to the beneficiary is referred to as indemnity.

Indemnity Bond A contract to pay or reimburse a third party for failure to perform or fulfill contractual obligations named in the bond.

Independent Agent An insurance agent that is affiliated with more than a

single insurance company. An independent agent is able to shop several insurance carriers for the best plan for a particular insured.

Inland Marine Coverage Inland marine insurance indemnifies loss to moving or moveable property and is an outgrowth of ocean marine insurance. Historically, ocean marine insurance held the transporter responsible for property loss before, during, and after the completion of the voyage. In the 1800's, the non-ocean portion of the journey grew as cargoes were transferred to barge, etc., and the term "inland marine" was coined. Inland marine policies became known as "floaters" since the property to which coverage was originally extended was essentially "floating."

Insurance A contract by which one undertakes to indemnify another or to pay a specified amount upon determinable contingencies.

Insurance Audit Sometimes factors that enter into determining appropriate premiums for insurance coverage can't be known in advance; therefore, accurate premiums for the coverage provided can't be billed by the insurance carrier. This often is true in the case of Worker's Compensation and Product Liability insurance, where such things as payroll and sales can't be determined ahead of time. An audit serves as an examination of the insured's records after the fact to adjust the initial premium billed to reflect the actual coverage.

Insurance Fraud Insurance fraud is any act or omission with the purpose of illegally obtaining a property and casualty insurance benefit. This definition encompasses the full range of fraudulent acts, from completely fabricated claims, to inflation or padding of legitimate claims, to false statements on insurance applications, to internal fraud.

INSURANCE SCORE An insurance score is a measure of how well consumers manage their financial affairs, not of their financial assets. Insurance scores include whether a consumer has made timely payments on loans, the number of open credit card accounts and whether a bankruptcy filing has been made. Studies have shown that people who manage their money well tend also to manage their most important assets, like homes and cars well also.

J

Jeweler's Block Coverage Covered Property

This insurance covers the insured's stock, property left with the insured for repair or other purposes, and the insured's interest in and legal liability for property on

memorandum or consignment from others in the jewelry trade.

Covered Perils

The policy is written on a "special" form. Some of the more prevalent perils covered are fire, open stock burglary, inside and outside holdup, safe burglary, theft, pilferage, kidnapping, shoplifting, window smashing, damage or loss of salesman's samples in transit, loss in transit by registered mail, water damage, sprinkler leakage, and smoke damage.

Exclusions

The principal exclusions are loss caused by war or nuclear reaction; loss or shortage disclosed on taking inventory; loss from unattended vehicle other than common carrier vehicle; loss during shipment other than by registered mail or under receipt by armored car service, passenger bus line, or customer parcel delivery service; loss at insured's premises caused by earthquake or flood; loss caused by dishonesty of anyone to whom property is entrusted; damage sustained while property is being worked on; and damage sustained while property is being worn, except watches worn solely for the purpose of adjustment.

Jewelry Floater An insurance policy which covers jewelry against loss or damage wherever it might be.

Joint Life Insurance A life insurance policy which covers more than one person (usually a husband and wife) and pays out whenever one of the insured's dies.

K

Key Employee Insurance An insurance purchased by a company or organization on key employees and naming the company as beneficiary. This type of policy is designed to lessen the financial hardship to a company should a key employee die, become permanently disabled or die.

KEY PERSON INSURANCE Insurance taken out on the life or health of a key individual whose services are essential to the continuing success of a business and whose death or disability could cause the firm a substantial financial loss is referred to as key person insurance.

L

Lapse Typically used in life insurance to indicate the termination of a policy.

Liability Coverage Insurance for your screw ups. A liability insurance policy will pay up to a stated limit for events resulting from the insured's negligence. A liability policy will also usually pay for property damage and medical expenses incurred by the injured party.

Life Insurance A life insurance policy will pay a stated amount to a beneficiary upon the death of another. The death payment may be accelerated for a terminally ill insured in need of medical or living expenses (see ADB). The two major types of life insurance policies are Term Life and Whole Life. Term Life is valid for a predetermined period such as a year. Whole Life is until you die and usually involves periodic deposits in to an account that can be withdrawn before death.

Limit The maximum amount to be paid by an insurance policy. Many policies have split limits meaning they'll pay one amount per person and another amount per accident. A third split may be included to indicate the maximum amount the policy will ever pay regardless of the number of people or accidents.

Liquor Liability Coverage Liquor liability insurance provides coverage for bodily injury or property damage for which an insured may be held liable by reason of the following:

- Causing or contributing to the intoxication of any person;
- Furnishing alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- Violating any statute, ordinance, or regulation relating to the sale, gift, distribution, or use of alcoholic beverages.

This coverage applies only if the insured is involved in the following activities

*Manufacturing, selling, or distributing alcoholic beverages;

*Serving or furnishing alcoholic beverages for a charge, whether or not such activity requires a license or is for the purpose of financial gain or livelihood; or potential causes of loss. Loss prevention is also referred to as safety engineering, accident prevention, accident control, and loss control or loss prevention.

LONG-TERM CARE INSURANCE Long-term care (LTC) insurance pays for services to help people who are unable to perform certain activities of daily living without assistance. Long Term Care insurance is available as individual insurance

or through an employer-sponsored or association plan.

Loss of Use Coverage Loss of Use is an extra expense you incur while staying at a temporary location if your condo or home becomes uninhabitable. While most policies allow a limited dollar amount for this coverage.

M

Machinery Breakdown Coverage This form of insurance provides mechanical breakdown coverage generally not available under any other insurance policy. A Boiler and Machinery policy can protect an insured against the effects of catastrophic property loss, such as steam boiler explosion or an expensive breakdown of machinery and equipment.

Major Medical Coverage A type of health insurance designed to cover catastrophic medical expenses. A major medical policy can be your only health policy or supplemental to another health insurance policy with low payout limits.

MEDICAID Medicaid is a joint federal-state public assistance program for people whose income and resources are not enough to pay for health care. Benefits and eligibility vary from state to state.

Medical Payments A general liability coverage in which the insurer reimburses without regard to the insured's liability, the insured and others (as specifically provided in the policy) for medical and funeral expenses incurred by such persons as a result of bodily injury or death sustained by accident under the conditions specified in the policy.

MORTGAGE INSURANCE This insurance covers the life of a person taking out a mortgage. Death benefits provide for payment of the outstanding balance of the mortgage. The amount of coverage decreases as the debt decreases.

Multi-Peril Insurance An insurance policy that insures more than one peril or cause of loss. An All-Risk policy is an example of a multi-peril policy. This is not the same as a Multi-Line policy which includes more than one type of coverage.

Mutual Insurance Company An insurance carrier or provider which is owned exclusively by its insured's. A mutual insurance company has no stock. Any operating profit is paid to their insured's in the form of a premium rebate.

N

Named Insured The person or persons designated as the insured in an insurance policy.

Named Perils Insurance An insurance policy which covers only defined perils or causes of loss. This is the opposite of an All-Risk policy which covers all perils except those specifically excluded.

NATIONAL FLOOD INSURANCE PROGRAM This is a federal government-sponsored program under which flood insurance is sold to homeowners and businesses through certain channels.

No-Fault Insurance A government regulated type of automobile insurance in which each party's own insurance pays for their damage and injury regardless of who is at fault.

Non-Owned and Hired Car Coverage Non-owned and hired car coverage is for policies written with limits of liability of \$1 million or more. It provides coverage for rental or borrowed autos as long as the insured does not own any private passenger vehicles, pick-up, panel truck or van and the use does not exceed 30 days.

Non-admitted Carrier An insurer not licensed to write insurance in a specific state.

O

Occurrence (CGL) This term means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured.

Occurrence Policy A type of liability policy in which an insurance provider is liable for any claim which occurred during the policy period regardless of how far in to the past it occurred. This is the traditional type of liability policy but has lost favor because of lawsuits being brought years after the fact. Large liability risks are typically covered by claims-made policies which are responsible only for claims submitted during the covered policy period.

Open Enrollment The period of time in which new subscribers may enroll in a health insurance plan.

Ordinance or Law Coverage Coverage for Loss to the Undamaged Portion of the Building.

Pays for the loss of value of an undamaged portion of the existing building which

must be demolished and/or removed to conform with municipal ordinance, code, etc. Demolition Cost

Pays for the cost of demolition of the undamaged portions of the building necessitated by the enforcement of building, zoning or land use ordinance or law. Increased Cost of Construction

Pays for any increased expenses incurred to replace the building with one conforming to building laws or ordinances, or to repair the damaged building so that it meets the specifications of current building laws or ordinances.

OTHER-THAN-COLLISION COVERAGE Auto insurance policies use this term for physical damage caused by fire, theft, vandalism, falling objects and various other perils.

P

Peril The cause of a loss. Examples of perils are fire, wind, an accident and acts of vandalism.

Personal Articles Floater Insurance on items you have scheduled (listed), anywhere they might be and against all perils or causes of loss except those specified in the insurance policy.

Personal Automobile Coverage Insurance for vehicles owned by individuals and not used for business purposes other than driving to and from work. Usually comprised of collision (stuff you hit with your vehicle), comprehensive (your vehicle) and medical coverage's.

Personal Injury Liability Coverage This insurance coverage protects against false arrest, detention or imprisonment, or malicious prosecution; libel, slander, defamation, or violation of right of privacy; and wrongful entry, eviction, or other invasion of right of private occupancy.

Personal Injury Protection Coverage (PIP) Insurance for other people in your vehicle and pedestrians injured or killed in a motor vehicle accident. PIP covers medical expenses, lost wages, funeral costs, etc. for other parties when not be covered by other policies.

Personal Property Floater (PPF) Insurance for homeowners covering all household effects such as furniture, appliances and clothing. Typically does not

require the items to be specified on a list or schedule but does have a fixed limit.

Physical Damage Coverage Insurance against damage to tangible property. Automobile physical damage covers damage to your vehicle.

Plate Glass Coverage This insurance coverage provides "special" protection, except for the perils of war, nuclear reaction, and fire. (Fire is covered under the building policy.)

This coverage is for full replacement cost and covers the expense of repairing frames, installing temporary plates, or boarding up openings.

Policy A formal contract outlining the terms and conditions of the insurance provided by an insurance carrier.

Pollutants Cleanup and Removal Coverage This is an aggregate first party coverage that applies to your expense in extracting "pollutants" from land or water at your location, if the release of the pollutants is caused by or results from a covered loss.

Pollution Legal Liability Coverage Coverage's

- Pays on your behalf all sums you are legally obligated to pay as a result of emission, discharge, release, or escape of any contaminants, irritants, or pollutants into or on land, the atmosphere, or any water course or body of water, provided this results in "environmental damage."
- Additionally pays to reimburse your expense for reasonable and necessary cleanup costs incurred in the discharge of a legal obligation validly imposed through governmental action, provided such expense is incurred because of "environmental damage."
- Pays for defense of any claim or suit that is the subject of this insurance.

Coverage Response
"Claims made" coverage response (i.e., responds only to claims first made during the policy period and only for incidents that have occurred after the effective date of this coverage).

Pollution "Environmental damage" is defined in the policy as "the injurious presence in or on land, the atmosphere, or any water course or body of water of solid, liquid, gaseous, or thermal contaminants, irritants, or pollutants."

Pre-Existing Condition Injury from an accident or sickness which occurred,

began or was diagnosed before the insurance policy was in effect are pre-existing conditions and may be excluded from coverage.

Preferred Provider Organization (PPO) A health insurance plan in which visits to member physicians and facilities are at a reduced cost but you may typically go to any doctor or facility of your choice. Most PPO plans do not require you to select a primary care physician.

Premium The amount you are asked to pay for an insurance policy.

Private Passenger Automobile Coverage Insurance for vehicles owned by individuals and not used for business purposes other than driving to and from work. Usually comprised of collision (stuff you hit with your vehicle), comprehensive (your vehicle) and medical coverage's.

Products Liability Coverage The liability for bodily injury or property damage incurred by a merchant or manufacturer as a consequence of some defect in the product sold or manufactured or the liability incurred by a contractor after he has completed a job as a result of improperly performed work. The latter described part of products liability is called Completed Operations.

Professional Liability Coverage Consultants and companies providing advice and services of any kind have exposures that are not usually insured by a Commercial General Liability policy. Among the more common types of organizations that have professional exposure are accountants, lawyers, computer consulting firms, investment advisors, insurance agents, data processing service firms, publishers, third-party administrators, teachers and anyone providing consulting services. A variety of Professional Liability and Errors & Omissions Liability policies are designed to protect individuals and companies for claims alleging negligence in the providing of specialized services.

PROOF OF LOSS Proof of Loss Documents demonstrates to the insurance company that a loss has occurred.

Property Coverage Protects against loss of or damage to buildings and personal property.

Property Damage Liability Coverage Protects against loss caused by your negligent damage of someone else's property.

Protection Class A scale of 1 to 10 used to measure the fire protection of every area in the United States. Ten is the worst and one is the best. The rating is based on such items as the water supply, the fire department and climate.

Punitive Damages Punitive damages are awarded in civil law suits to

discourage intentional wrongdoing, wanton and reckless misconduct and outrageous behavior. The majority of courts in the United States, including those of New York hold that punitive damages are not compensation for injury, but, instead, are private fines levied by civil juries to punish reprehensible conduct and to deter its future occurrence.

Q

R

Reinstatement This has two meanings: 1. The restoration or continuation of an insurance policy that was cancelled or suspended for a portion of the policy period or, 2. The restarting of a policy limit after a claim. This is normally associated with fire coverage which commonly restarts the limit after it has paid out.

Renewal A new policy which replaces one that is expiring or cancelled.

Rent Coverage This insurance coverage protects building owners against loss of income when rentals have been interrupted or rental value has been impaired by the occurrence of any of the insured perils.

Essentially this is Business Interruption insurance for the landlord. It assures continuous income while an insured building is untenable.

Renters Insurance Very much like a homeowner's policy without the property coverage since renters do not own the building they live in. Covers liability and personal effects such as furniture and clothing. Fine art antiques and collectibles can be added to a renter's policy just like for homeowners.

Replacement Cost Coverage This form of insurance provides coverage on the basis of full replacement cost without deduction for depreciation on any loss sustained, subject to the terms of the co-insurance clause. This coverage applies to both building and contents items as specified on the face of the policy.

No deduction is taken for depreciation in arriving at the proper amount of insurance needed to comply with the co-insurance clause.

Retroactive Date For a claims-made policy, the retroactive date is the earliest date for which a loss will be considered. It is typically the effective date of the first year the policy was provided by an insurance carrier but can be moved with money.

Return Premium The amount of premium that is returned to you by an

insurance carrier after a policy is cancelled during the policy period.

Risk What makes you buy insurance. It is anything you don't want to lose or have damaged including yourself.

Risk Manager The entity in charge of identifying, evaluating and managing the potential perils facing a risk.

S

Schedule In insurance, a schedule is a list attached to a policy. A jewelry schedule is a list of jewelry you own that is covered by an insurance policy. A vehicle schedule is a list of vehicles attached to and covered by an insurance policy.

SELF-INSURANCE Basically, this is the concept of assuming the financial risk oneself, instead of paying an insurance company to take it on. Every policyholder is a self-insurer to some degree or another, in terms of paying a deductible and co-payments.

SEWER BACK-UP COVERAGE This is an optional type of homeowners insurance that covers sewer back-up.

Sexual Harassment Defense Coverage Protects against legal fees and costs arising from charges of sexual harassment.

SOCIAL SECURITY The U.S. Social Security Act of 1935 plus its amendments and additions provides for disability, retirement and annuity benefits to dependents and survivors.

Specified Perils An insurance policy which only covers causes of loss or perils specified in the policy.

Split Limits The practice of providing separate limit amounts for each type of coverage contained within a single policy. An automobile policy could have separate limits for bodily injury and physical damage.

Stated Amount When the value of a property is stated within the policy and is not dependent on valuation methods applied at the time of a loss.

STRUCTURED SETTLEMENT A structured settlement is a legal agreement to pay a specific person or persons, a specific sum of money in periodic payments, instead of in a single lump sum payment.

Subrogation In insurance, the process where an insurance carrier negotiates in behalf of the insured to settle a claim the carrier is liable for.

Surety Bond Insures a third party against non performance by a contracted party or organization. Common in the construction industry and to guarantee ongoing payments.

Surplus Lines Insurance Insurance placed with carriers not licensed in the same state as the risk. Surplus lines laws differ in each state but generally require that the insured attempt to place the insurance with a licensed carrier before using a surplus lines carrier. Proof of this placement attempt is also typically required.

T

Tail In insurance, a tail refers to claims and losses that have not yet been reported or discovered.

Tail Coverage For claims-made policies, tail coverage is purchased to protect against losses or claims which have not yet been discovered or reported. In this case, a retroactive date is purchased. For occurrence policies, this is unnecessary as claims are handled according to when they happened instead of when they were reported or discovered.

Term Life Insurance A life insurance policy purchased to cover a specific time period as opposed to the end of your life. Term policies may be written to expire at the end of a time period such as one, five or ten years or at a certain age of the insured.

Terrorist Coverage Protects against damage caused by acts of terrorism.

Time Element Coverage Time element insurance provides insurance for a covered incident resulting in loss of use of property for a period of time. The loss is considered to be time lost, not actual property damage. Examples of time element coverage are Business Interruption, Extra Expense, Tuition Fees, Rents and Rental Value, Additional Living Expenses, and Leasehold Interest coverage.

Tort A tort is an unintentional violation of another person's rights, usually due to negligence. It is different than a crime, which generally is an intentional violation of another's rights. A tort is subject to civil action and subsequent judgment for damages payable to the wronged party, whereas a crime is subject to criminal action and subsequent penalty.

TOTAL LOSS If an automobile or other property is damaged so extensively that

repair costs would exceed the value of the vehicle or property; it is referred to as a "total loss".

Transit Coverage Coverage of the insured's property while in transit over land from one location to another. Property insurance policies typically provide coverage only at locations identified in the policy.

TRAVEL INSURANCE Travel insurance covers typical problems that may occur while traveling, like illness, lost luggage etc.

Truckers Liability Coverage Auto liability coverage for owners and operators of businesses which transport the goods of others by land for a fee. This coverage is regulated by the Department of Transportation.

U

Umbrella Liability Coverage This type of liability insurance provides excess liability protection. Your business needs this coverage for the following three reasons:

- It provides excess coverage over the "underlying" liability insurance you carry.
- It provides coverage for all other liability exposures, excepting a few specifically excluded exposures. This is subject to a large deductible of \$10,000.
- It provides automatic replacement coverage for underlying policies that have been reduced or exhausted by loss.
-

UNDERINSURED An underinsured policyholder is not adequately covered and may only receive part of the cost of replacing or repairing damaged items covered in the policy.

Underlying Limits Associated with excess and umbrella coverage's. Refers to the limit of the primary policy and where the umbrella or excess coverage begins. Most excess and umbrella policies have a required underlying limit.

Unearned Premium The amount of the unused policy premium at the time of a cancellation or expiration relative to the policy term. For example, if the policy term is one year then the unearned premium at the six month point is 50% of the total premium. This is not an indicator of how much you'll get back if you cancel the policy because the total premium was partially based on the term.

UNINSURED MOTORIST COVERAGE Uninsured Motorist Coverage is the part of an auto insurance policy that protects a policyholder from uninsured drivers and hit-and-run drivers.

Universal Life Insurance A combination of term life insurance with a savings plan. This approach provides more flexibility as to the death benefit and insured contributions.

V

Valuable Papers Coverage An "all risk" insurance coverage that covers the cost of research to reconstruct damaged records, as well as the cost of new paper and transcription.

The term "valuable papers" refers to written, printed, or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages, and manuscripts.

VANDALISM Vandalism is usually malicious, often random, and describes the destruction or ruining of someone's property.

W

WAIVER A waiver generally refers to the surrender of a privilege or a right, such as a provision which will allow for coverage to remain in force without payment of premiums if certain conditions are met. (Such as disablement)

Watercraft Insurance Typically sold as a package policy comprised of physical damage (hull), personal injury and liability coverage's. Protects from the risks associated with owning and operating a watercraft.

Whole Life Insurance A type of life insurance that continues until the insured stops making payments or dies.

Willful Injury Coverage for self-inflicted or intentional injuries to others are usually excluded from most insurance policies.

Workers' Compensation Coverage A system of compensation for work-related injuries or death, paid for by employer compensation insurance contributions. All employers must have worker's compensation insurance of some kind.

XYZ