A-Z Insurance Terms

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A

Abandonment: The voluntary relinquishment of rights and responsibilities in the property covered by the insured. This is usually forbidden in most types of insurance.

Accident: An unusual, unexpected result, attending the performance of a usual, necessary act; an unexpected event which happens by chance or which does not take place according to the usual course of things.

Act of God: A sudden and violent act of nature which could not have been foreseen or prevented.

Actual Cash Value: The actual or current value of the property at the time of the loss. This may be the cost of replacing the article with a similar model in similar condition. It may however involve the price of the article plus any appreciation or depreciation since its purchase.

Additional Insured: Some forms of policies cover not only the named insured but certain others. Most Automobile policies, for example, insure a specific individual as an insured, but also insure anyone driving with that insureds consent. The Additional Insured may be named or unnamed.

Additional Living Expenses: A provision in many policies to provide reimbursement for costs above the normal living expenses, incurred because the insured is forced to live away from home while the home is being repaired because of fire or other damage. It applies to such expenses as restaurant meals, hotel rooms, transportation etc. The company, however, is bound only to pay to maintain the insured's usual standard of living.

Additional insurance: Additional insurance is insurance which is added to an already existing policy. Unless it is agreed to by the company or its duly authorized agent the insurance is voided.

Adjuster: A person who investigates a loss and negotiates settlement with the claimant on the insurance company behalf. Some adjusters are independent and some are employed by the insurance company.

Adjustment: The process of arriving at an amount of settlement in a claim. It may consist of a series of computations to arrive at the amount of a loss as for example, in an uncomplicated fire loss or it may involve discussions of liability, quantum and other such matters as might be the case in a problem liability claim. It may contain both.

Agent: An insurance agent is one who represents the insurer and also assists in arranging the insurance contract with the applicant or insured. Agents who are usually bound by contract to represent one insurer are usually called exclusive agents. The insurers they represent are known as direct writers.

All Risk Policy: Coverage against loss or damage from all perils except those specifically excluded.

Alterations: A change or modification. Buildings and other personal property may frequently be changed or modified. If any change or modification is contemplated, in connection with a risk that is insured, the insurance company should be notified of the proposed change so that the policy can properly describe the revised property. The change is usually confirmed by means of an endorsement or rider.

Amount at Risk: This term comprises the amount of insurance effected on any property by a company, irrespective of whether such amount is equal or otherwise to the actual value of the property.

Application: A request for insurance. A preliminary declaration made by the property owner to the company, describing the characteristics of the risk, and the amount required, together with other details essential to the proper writing of the risk. It is required to be made out and signed by the applicant.

Appraisal: The monetary valuation of property made by a competent and qualified person, known as an "appraiser".

Appraisers: Persons who, because of their special knowledge, are vested with authority in determining the real value of the property or damage.

Assignment: The transfer of rights or interest from one party to another. Insurance policies are personal contracts and are not transferable except by special consent of the insurance company.

Assumed Liability: The liability of one which has been assumed by another. The assuming of the liability is usually done by a contract or by implication. Insurance policies have very little or no coverage for liability assumed by contract (with the exception of side-track agreements).

Automatic Coverage: A provision in an insurance policy providing automatic coverages for increases in value of newly acquired or changing interests. In most instances, such additional coverage is only covered automatically for a certain set length of time and/or a limit of value after which the change must be endorsed into the policy. Usually the policy must already contain coverage for similar items.

Automatic Reinstatement: Immediate restoration of the sum insured to the original amount, following a loss.

Automobile Insurance: Involves two basic types of coverage
(1) Liability insurance coverage for losses caused by injuries to persons and legal liability imposed on the insured for such injury or for damage to property of others, and (2) Physical damage insurance for losses caused by damage to or loss of the insured vehicle.

B

Betterment: Where the results of repairs or replacement as a result of the loss results in the insured receiving something better than he had before the loss. The difference is known as "betterment." In most instances, this difference is discussed before the repairs or replacement has been made and the insured has agreed to an appropriate figure as his contribution for this "betterment." This is also referred to as "new for old."

Binder: A temporary agreement with a new insured granting certain coverages pending the issuance of the insuring policy. An agreement by the insurance company to cover a risk, pending the issue of a policy.

Bodily Injury: Bodily injury is the physical injury or damage to the body of an individual or the destroying of it. It does not include the inanimate injury such as hurt feelings, embarrassment, false arrest, libel, slander, etc.

Broker: A broker is an independent business person who acts on behalf of the insured. The broker may place business with any number of insurers. This individual seeks out clients (insureds) and brings about the most beneficial match between each client and insurer that will best meet the client's insurance needs.

Budget Payment Plan: Payment of the premiums in installments through post-dated cheques or automatic withdrawal from a checking or savings account.

Builder's Risk: Insurance covering real property during the course of construction when there is generally a greater hazard and where the values are changing daily. In the case of residential property, the usual dwelling form may be used and permission granted to complete construction.

Burglary: The unlawful removal of property from premises involving visible forcible entry.

C

Cancellation: The termination of the policy before the end of a policy period. Usually if the company cancels the policy, the insured is entitled to a pro rata return of premium for the unused portion of the policy. If the insured cancels, he is entitled to a short rate (as set out on the policy) return of premium.

Captive Agent: Agents who place all their business with one insurance company are known as "captive agents." In some instances they may be salaried employees of the company. In others they may be selling the insurance on a commission basis, but have a contract to write only business that would be acceptable to the one insurance company.

Catastrophe: A sudden, great disaster (e.g. hurricane) causing very substantial damage, extended damage by flood, fire involving large areas, etc.

Claim: The exercising of the right of an insured to be indemnified by their insurance company. It is frequently used, however, to indicate the amount of claim they are making.

Clause: A term used to identify certain sections of a policy (e.g. "co-insurance clause" refers to that part of the policy dealing with co-insurance).

Co-insurance: A policy condition requiring the sum insured to be maintained for a specified minimum percentage of the actual cash value. If not maintained, the insured must bear a proportionate amount of any partial loss.

Co-insurer: One of two or more persons or companies who may be sharing a loss. Where a policy contains a co-insurance clause with which the insured has not properly complied, the insured also becomes a co-insurer in the loss.

Collision Coverage: The type of automobile insurance that pays for the damage to the motor vehicle, caused by upset of the car or collision of the vehicle with another car or object, whether or not the accident is the fault of the insured. Such payments are usually subject to a deductible amount.

Comprehensive: A word commonly used as the description of the type of policy issued to designate that the particular policy is broader in form. The increase is generally an increase of the scope of the contract or extension of it into additional perils or both.

Comprehensive Coverage (Automobile): That type of automobile insurance covering damage to the vehicle of the insured from causes other than collision - such as flood, hail, explosion, theft, windstorm, etc. Generally excludes Collision and Upset which is required to be insured separately.

Compulsory Insurance: Coverage required by statute.

Condition: A stipulation in a contract, (e.g. an insurance policy) defining, extending or reducing rights and responsibilities.

Consequential Damage: Damage which is an indirect result of an accident or fire (e.g. food spoilage through breakdown of a freezer).

Construction: Type of materials used in constructing a building (e.g. wood frame, brick, stone, brick veneer).

Constructive Total Loss: A partial loss but where the damage is so extensive that repairs would cost as much or more than the property is worth, or the limit of insurance of the policy.

Contents: Articles in a building other than the building itself (for example, tables, chairs, etc. in a dwelling).

Contract: Written or oral promissory agreement between two or more persons, enforceable at law. An insurance policy is a contract.

Contribution: Sharing of loss or liability between two or more insurance companies covering the same risk. Most insurance policies contain a contribution clause.

Cover Note: Same as binder.

Coverage: The nature of protection afforded by a particular policy can be used at times interchangeably with the terms "insurance" or "protection" as "Homeowners Coverage" or "Tenants Protection" or "Condominium Insurance".

D

Damages: A sum of money claimed or awarded as compensation for loss or injury.

Date of Inception of the Policy: The actual date and hour of commencement, and the time at which the liability of the insurance company attaches, should be embodied in every policy. It is usual to specify the hour and date of commencement, and the hour and date of termination in a policy wording. Also called effective date.

Debris Removal: A provision in an insurance policy most commonly found in fire insurance, providing indemnification for the cost of the removal of the debris after the fire.

Declaration: Statement given by the insured, warranting that information given by him or her is true.

Deductible Clause: Small claims are expensive for an insurance company to handle in relation to the amount involved and in many types of insurance, a provision is made whereby the insured agrees to pay small claims in return for a reduced premium. Disappearing deductible, often found in automobile policies and homeowner's policies, uses a formula whereby the deductible applies in small losses and is gradually reduced as the size of the loss increases so that in very large losses the insurance company pays the loss in full.

Deposit Premium: Premium which is based on an estimate and is subject to adjustment at renewal or some other agreed time, on the basis of actual figures.

Depreciation: Reduction in value of property through use, ageing, deterioration and obsolescence.

Detached: Separate, with no communication. Detached Buildings are those unconnected in any way to other buildings or the insured premises.

Deterioration: Physical impairment.

Direct Writer: Insurance company selling direct to the public and not through independent agents or brokers.

Discount: Reduction in rate or the premium for features which improve the risk or for when several coverages are incorporated into one policy.

Duration of Risk: The period of time for which the risk is to run. The period should be distinctly stated in the policy.

E

Earned Premium: The premium for the amount of insurance that has been used or has elapsed. The portion of premium which would pay for insurance from the start date of the policy until the particular date at which items are deleted or the policy is terminated. It is the expired portion of a premium.

Effective Date: The date of inception of an insurance policy or bond. The date at which the protection becomes effective.

Endorsement: Endorsements appear as additional pieces of paper attached to a policy indicating that the written consent of the parties has been given to a change in the terms of the original contract and that such change will not affect the insurance. Note the distinction from a "rider" which is the addition of a new peril to a policy and in effect, therefore, an additional insurance policy combined with the original.

Errors and Omissions Insurance: Professional, semi-professional and serviced type of work may place an obligation on the part of the individual to see that the task is properly performed. Any error or omission in the performance of a particular duty may make the individual responsible in damages. Errors and omissions insurance is designed to protect the individual in such a situation.

Estimated Premium: A tentative premium set in the anticipation of being approximately correct but which may be increased or decreased when the final premium calculation is made by the issuing insurance company.

Excess Insurance: Excess insurance relates to an insurance policy which becomes effective only when a loss is in excess of a certain amount or where it is in excess of the primary policy.

Exclusion: Something specifically mentioned as not being covered by the policy.

Expiration: The date of termination of a policy. At that date, it automatically expires or ceases.

Explosion: Sudden and violent tearing asunder caused by gas or compressed air. This peril is usually insured under policies covering fire.

Extended Coverage: Additional named perils often added to the basic fire insurance coverage.

Extra Expense Policy: Extra expense insurance is a form of insurance policy to cover the extra expense of an insured in carrying on a business following a loss by an insured peril.

F-G

Fine Arts Insurance: A broad form of coverage against loss from "all risks" with a few specific exceptions. It is used to insure sculptures, paintings and other such valuable pieces and is usually written on a "valued" basis so that in the event of a total loss, the amount to be paid is the amount quoted on the policy.

Fire: To ignite, to cause burning, the chemical change in combustion producing heat and light. Fire has long been used for the benefit of humans. Fires heat our premises, cook our meals and are used in many manufacturing processes. Such situations are known as "friendly fires." When uncontrolled, fire can be an enemy and can destroy houses, crops, lumber stands, etc. Such fires are known as "hostile fires" and are the subject of insurance.

Fire Department Service Clause: A provision in a fire insurance policy agreeing to pay the cost of bringing a fire department to the location of the property insured in event of a fire. It is valuable where the insured's property is not in a built up area with its own fire department or where the risk is sufficiently large to require the possible need of additional fire department services.

Fire Limits: The limit of an area of fire protection.

Fire Proof: Fire Proof, in insurance, is something with a very high degree of resistance to the spread of fire. It is a misnomer since no building is actually totally fire proof. If constructed in a manner safer from the spread of fire than buildings and articles, it is commonly referred to as "fire resistant".

Fire Resistive: Type of building construction that resists the effects of fire.

Fixtures & Fittings: Parts of furnishings of a building considered as permanent attachments as opposed to moveable items such as furniture. Tenant's fixtures should be insured by the tenant. The tenant, also, may still have an insurable interest in permanent fixtures particularly where the lease has some time to run during which the tenant would have the use of these fixtures.

Flat Cancellation (or Flat Rate Cancellation): Termination of a policy coincides exactly with its inception or renewal date. In certain special circumstances, a policy can be "cancelled flat" and the insured is entitled to the full return of the premium that has been paid and the policy is in effect, cancelled from the beginning.

Floater Policy: A policy covering the same type of risk at a number of specified or unspecified locations over a wide area (even world wide). Usually includes types of goods being frequently moved from one location to another (e.g. Fur Floater, Jewellery Floater).

Fraud: An act of willful deception and dishonesty carried out with a view to securing some advantage, profit, etc., to which one is not entitled, at the expense of another.

Fraudulent Misrepresentation: A false statement made knowing it to be false and intending another to act on it to his/her detriment, or made carelessly or recklessly without regard to whether it is true or false. In insurance it is most frequently found in the intentional misrepresentation of a risk to get insurance or in proofs of loss after the loss occurs.

Freezing Insurance: Insurance against loss by freezing.

Fur Floater: An All Risk type of coverage on furs or articles trimmed with fur.

Glass Insurance: Protection against damage to glass, usually in the form of plate glass windows and stained glass windows, etc. It generally covers the glass itself from breakage and certain other incidental expenses associated therewith.

H-I

Hazard - Physical Hazard: The various physical aspects of matters surrounding the insured premises or property which may improve or lessen the chances of loss with respect to that particular risk. On all properties for which insurance policies are issued there is a possibility of a loss. Various physical items that make the prospect of such a loss greater or less, are referred to as physical hazards.

Hazard - Moral: This too is a matter of improvement or impairment of the prospect of a loss but depending upon the mental attitude of the insured or the person concerned. For example, a person with a history of setting fires would probably present increased moral hazard.

Hazard, Peril or Risk: These words are not synonymous and cannot be used interchangeably. An insurance company may make an insurance policy in which the insured is protected against the "peril" of fire. In making this policy, the company has considered the various "hazards" such as the hazard of its physical location in relation to other properties, the hazard of good housekeeping, etc. The policy is written and is then referred to as a "risk".

Hold-Up: The taking of money or property from another by putting the victim in fear of personal violence. The case of a person with a gun threatening the life of an individual if he/she does not surrender his cash is a typical holdup, however, a knife or some other instrument which might threaten an individual would still leave the act as a holdup. It is quite possible that no instrument at all may be used and if the victim is afraid that the person either has something concealed or may use his/her fists or anything else to cause him/her concern for his/her physical welfare, the act is still considered a hold-up.

Home Owner's Policy: A policy designed to cover the various risks of a home owner in one policy. It is very flexible and may cover fire and extended coverage plus some additional living expenses, theft, vandalism and malicious mischief or is written on a comprehensive policy to cover on all risk basis. It is designed, however, to also extend, if required by the insured, to cover a seasonal residence, a broad form of personal liability, voluntary property damage, outboard motor and boat, etc.

Hull Insurance: Insurance policies written on a ship covering the ship itself or on an aircraft covering the aircraft itself is known as "Hull Insurance".

Improvements or Betterments: A fire risk is written for one year. During that time, many changes may take place and an insured may improve or enlarge the building, change the roof, install new flooring or a tenant may install a new air conditioned office space which would eventually accrue to the benefit of the real property owner. These are known as improvements or betterments and the amount of insurance should be adjusted accordingly.

Imputation of Negligence: Where the law makes a person responsible for the negligence of another although not directly negligent himself, but who was at privities with one who was negligent. A parent, for example may at times be held negligent for the acts of his child. A master may be held responsible for the negligence or negligent acts of his servant. A principal may be held responsible for the negligent acts of his agent.

Increased Hazard: Insurance is written and the premium based on the knowledge of the hazards of the risk at the time the policy is written. The insured may from time to time make changes which would increase the hazard. The insuring company should be advised of any changes of this kind during the currency of the policy. Failure to do so, might put the coverage in jeopardy and might indeed void the policy. When the company is advised of the increased hazard, it will have to determine whether it wishes to continue on the risk and if so, probably calculate whatever premium adjustment is required to compensate for the increased hazard and an endorsement issued to be attached to the policy agreeing to this additional hazard. If the hazard is a minor one, it may be that no premium adjustment is required but the company's approval should nevertheless be obtained usually in the form of an endorsement for the policy.

In cumbrance or Encumbrance: Any in cumbrance on the property to be insured should be advised to the company when the application for contract is made or if added during the policy term. In cumbrances may consist of judgment liens, mortgages or liens of other character.

Incurred but not Reported Claims: Insurance companies are required to put up reserves on all claims. This even includes claims that have not yet been reported to the company. It is the sum added to the total of the claims reserve and is usually determined by means of an estimate based upon the actual claims reported late one year earlier, two years earlier, etc. with proper adjustment made for increases in premium income and inflation.

Incurred Losses: Total of losses paid and estimates of loss reserves in a given period.

Indemnity: This is a principle of insurance by which the insureds, up to the limit of the policy, are fully compensated for the actual cash value of what they have lost, so that they neither gain nor lose as a result of the loss.

Independent Insurance Agent: Agents who sell insurance and represent just one company. They are an independent business people or financial institution employees.

Indirect Damage: Damage which is not the immediate direct consequence of the peril against which insurance has been taken but flows nevertheless, somewhat remotely from that peril e.g. where a property is rented and the income for the rent is required in order to meet a mortgage or where the property is rented from another and is destroyed by fire. The loss of rent is an indirect damage.

In force: Insurance that is valid at the particular time. It would not include cancelled or expired policies.

Inherent Explosion: An explosion caused by the natural characteristics of property in a premises e.g. grain elevator may have a considerable amount of very volatile grain dust which with certain heat conditions may produce an explosion.

Inherent Vice: A condition of the particular goods themselves which by their very nature causes a deterioration. For example, vegetable and meat will not keep unless special arrangements are made to avoid their deterioration. Eggs, if not refrigerated, will go bad.

In Kind: Generally referred to in insurance policies to mean replacement of a similar article in quality, general description, workmanship and material.

Inspection Report: A detailed description of premises or property to be insured, including the hazards involved. It is prepared following a physical inspection of the risk.

Insurable Interest: To make insurance policies legal and valid, the insureds must possess a sufficient interest in the insured object to involve them in a monetary loss, should the object be damaged or destroyed. Unless the insureds will suffer financially in the event of a loss, they do not have an insurable interest and are not legally entitled to insure the risk.

Insurance: Is the undertaking usually by a company specializing in such undertakings to indemnify another person against loss or liability arising out of certain perils. It is the sharing of the losses of a few people among the many who pay premiums.

Insurance in Force: Total amount of insurance on valid and collectible insurance outstanding at a particular time.

Insurance Policy: The actual insurance contract consisting of terms and conditions under which the insurance is written.

Insurance to Value: Insuring property for its actual cash value (current replacement cost less depreciation). However, if the policy contains a replacement cost clause, then insurance to value is cost to replacement.

Insured: The person(s) whose risk of financial loss from an insured peril is protected by the policy. Sometimes also called policyholder.

Insurer: The insurance company or the individual who has agreed to supply the indemnity to an insured against loss by certain perils.

Insuring Clause: The part of the insurance policy which sets out the specific agreement to protect against the particular peril for which the insurance is purchased. It is an essential part of all insurance contracts.

J-K

Jewelry Floater: An All Risk type of policy on jewelry belonging to a particular individual.

Judgment: An order given or made by a Court in any civil proceedings whereby any sum of money is made payable.

Kidnapping Insurance: Insurance against loss of money in which kidnapping is a means of getting access to the money (e.g. where a person is placed in danger of personal violence while away from the premises and required to return to the premises so that thieves may gain access to the premises and the money, or to open a safe so that thieves may get the money from it, or even to give information as to the code to enable the thieves to gain entry to the safe). Such is known as kidnapping and may be covered as an extension of the "money" policies.

L

Landlords Protective Liability: Form of insurance policy covering owners, landlords and tenants from liability arising from accidents on the particular property described.

Lapsed: Where a policy has been allowed to run for its determined time and has not been renewed, the policy is said to have lapsed.

Law of Large Numbers: A mathematical principle of probability in which the larger the number of risks or exposures used in the calculation, the more accurate the total (as distinct from the individual) result will be.

Lay-Up Warranty: A provision in marine policies that a ship will not be in use for certain periods of time. Because of the lesser perils, the premium during the time the ship is not in use is lower and the warranty simply guarantees that the ship will not be used and therefore subject to the greater peril. If it is used during the lay-up period, there is no coverage.

Lease: Contract by which one party (landlord or lessor) gives to another (tenant or lessee) the use and possession of lands, buildings, vehicle(s) for a specified time and for fixed payments.

Leasehold: (see also Lessee) Land held by lease. In the event of a building standing upon leased ground, the terms of the policy demand that notice be given to the company of that fact. Such buildings are held in law as personal property (chattels real).

Leasehold Interest: A tenant in a property has an insurable interest in the use of that property. (e.g. a tenant is able to get a considerable amount of space at a very reasonable rent, but with the passing of years it might cost the tenant considerably more to rent other premises in the same neighbourhood if the original premises are destroyed by fire. It might even be that the tenant, with a long lease at a favourable price). It might even be that the tenant, with a long lease at a favourable price, may have sublet all or part of the premises at a substantial profit. The tenant therefore has an insurable interest in his right to continue the use of the premises and insurance for such is known as 'Leasehold Interest'.

Insurance Legal Liability: Responsibility imposed by law for negligence resulting in bodily injury and/or property damage to someone's property.

Lessee: Person or company to whom property is leased.

Lessor: The grantor of a lease.

Liability: A responsibility of one person to another enforceable in law. See "legal liability".

Liability Insurance: The type of insurance which covers an insured for his legal liability for bodily injuries or damage to the property of others. e.g. Automobile liability policies cover the insured's liability arising out of the use and operation of a motor vehicle.
Personal liability policies cover a broad range of situations in which the company agrees to assume the legal liability of the insured.

Liability Limits: Liability policies set out the maximum amount of insurance (excluding legal costs) for which the insurance company is liable under the policy. Generally the cost of investigation, defense, court costs, etc. are included in addition to the quoted limits. In many instances, such as automobile insurance, the limit is an amount per accident. The limit for personal injuries may be different on a particular policy from the limit with respect to damaged property. On other forms such as products, malpractice and contractors liability, the amount quoted is frequently a total amount to be paid during the policy period. In accident type insurance, as for example medical expense on automobile policies, the limit is frequently quoted per passenger even though the number of passengers at a particular time is not known.

Libel: This refers to anything that is written and published, tending to injure the reputation of another unjustly by bringing them to ridicule, hatred or contempt. If the same words were spoken instead of written and published, the term "slander" would apply.

Lien: A word indicating an in cumbrance on property, either for discharge of a duty or the payment of a debt. When such a lien exists, the conditions attaching to the issue of an insurance contract, require that it be disclosed to the company.

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Life Insurance: An insurance on the life of an individual or individuals. It is as valued form of policy and pays out a certain sum on the death of the individual. It is written in many forms and frequently coupled with a savings factor.

Lightning: Most fire insurance policies make the company liable for all losses caused by lightning, even when no fire occurs. Most policies, however, carry the electrical apparatus clause, which excludes loss caused by artificially generated electrical currents to electrical equipment.

Limit, Aggregate: The maximum amounts that will be paid by the policy during the policy during the policy period by reason of a loss or a series of losses.

Limit, Basic: The limit of insurance as applied to the particular section of the policy, as for example the limit to be paid as the result of one Bodily Injury claim, or the limit to be paid as a result of any one accident.

Limited Policy: A policy in which there is not complete coverage for all perils or types of accident that could be covered by that particular type of policy, or one in which certain coverages are limited, such as by the use of a deductible.

Livestock Insurance: Livestock insurance is a type of insurance on livestock protecting against loss by certain specifically stated perils.

Livestock Mortality Insurance: Insurance on the life of an animal generally used in such cases as a race horse or other highly pedigreed stock. Like life insurance on an individual, it pays a lump sum in event of the death of the animal within the policy period.

Loss: In insurance, any reduction in the value of a property occasioned by the peril against which insurance is granted, is the amount of a loss. The phrase, however, is also loosely used in insurance to represent any sum which an insurance company might be expected to pay. Often used instead of "claim".

Loss Adjustment Expenses: Expenses involved in the adjusting of losses - adjuster's fees, court costs, lawyer's fees etc.

Loss or Damage: "Loss" designates that portion which is entirely lost or destroyed while "damage" designates that part of the property which is not consumed, but remains after the fire in a more or less damaged condition.

Loss of Use: Insurance protection against loss due to the inability to use a property because of its damage or destruction. For example, a car may be badly damaged in an accident and take two weeks to repair. The insured may need to rent another car during that time. Therefore the loss is not only the damage to the vehicle but for the loss of use of it until the insured is put back into the position he/she was before the incident.

Loss Payable To: It is customary to insert a "loss payable" clause in insurance policies. When there are other interests such as mortgages, etc., the clause is completed by inserting the name of such interested parties, such as "Loss payable to the XYZ Loan Company" (generally followed by) "as their interest may appear".

Loss Paid: The total payments made to discharge obligations under insurance policies.

Loss Reserve: For every claim that is made against an insurance company, that company must estimate the probable ultimate cost of that claim and set the sum of money aside in a "Loss Reserve".

Lost Policy Voucher or Lost Document Voucher: A statement signed by an insured acknowledging that the policy (or renewal certificate) has been mislaid or lost, and agreeing that the insurance is cancelled or terminated. It releases the insurance company of liability under the contract. An insured may, from time to time, want the insurance under a particular insurance contract cancelled and perhaps replaced with another of a different form. To obtain a refund on the original policy, they would be required to sign off that policy surrendering it to the company. The Lost Policy Release enables the insurance company to make the refund without requiring the insured to produce the policy.

M

Malicious Mischief: Injury to the rights or property of another with a wicked or perverse intent. (See also vandalism)

Market Value: The value of assets (stocks, bonds, debentures, real estate, etc.) based on a current market valuation.

Medical Payments Insurance (voluntary): A provision in an insurance policy to pay certain specified medical expenses of others, irrespective of the insured's legal obligation to pay them. Voluntary medical payments are frequently part of homeowners, condominium and tenants Policies. Medical payments insurance is a voluntary coverage for others who may be injured on the insured's premises.

Minimum Premium: In some lines of insurance, the premiums are so small that to continue the actual rate downward in relation to the actual amount of insurance, would somewhere produce a situation in which the cost of doing business would be disproportionate to the actual risk involved. To discourage the costly processing of the extremely small payments such business is usually subject to a "minimum premium". It is also used in circumstances when cover is given for a short period of time.

Minor: A person under the age of being legally capable of transacting business on his own behalf. (Usually under 21 years).

Misrepresentation: False, or fraudulent omission of material information in connection with an insurance application. The failure of the applicant for insurance to make a fair disclosure of all pertinent and attendant circumstances. This can void a policy.

Mortgage Clause: A policy condition providing protection in certain circumstances to the mortgagee in the event that the insured fails to comply with policy conditions.

Mortgagee: The person or company to whom property is pledged as security.

Mortgagor: A person who mortgages property by borrowing money and using it as security for the loan.

Multiple Line Carrier: An insurance company that writes more than one class insurance.

Mysterious Disappearance: The disappearance of property arising out of unexplainable circumstances.

N-O

Named Insured: A person named in an insurance policy and for whom the policy is primarily written. It is distinguishable from the simple word "insured" in that an insured includes both named and unnamed insureds. It is distinguishable from unnamed insureds in that it identifies the specific party in the policy.

Named Perils: Specific perils against which the particular insurance policy is issued.

Named Perils Policies: Policies which specifically state the perils against which protection is given and no others. This is distinct from the All Risk Policy, which covers all risks of all perils with the exception of certain specific perils shown as exclusions in the policy.

Negligence: The omission to do something which a reasonable person would have done in similar circumstances, or the doing of something which a reasonable person, in such circumstances, would not have done.

Negligence – Contributory: At common law, a plaintiff is required to come in to court "with clean hands" (with no negligence on their own part). If by the ordinary care, the accident could have been avoided or if some small negligence on the part of the plaintiff contributed to the accident, they have no right of recovery. This is still the law in all areas where specific legislation has not been passed to change it. The legislation enabling the apportionment of liability, however, is sometimes called "contributory negligence laws" and in other areas "comparative negligence laws" which are, therefore, sometimes confusing.

Negligence - Criminal: Offences of negligence for which there are penalties provided in the Criminal Code.

Negligence - Gross: A complete lack of regard for the safety of others.

Negligence - Ordinary: Something less than the degree of care that would be exercised by an ordinary person in similar circumstances.

Negligence: Doing something a prudent person would not do or not doing something a prudent person would do, result of which results in loss by damage or injury.

Non-Owned Automobile Policy: A policy which protects insureds against third party claims arising out of some other person using their cars in the business of the insured. e.g. a company asks one of its employees to go to a certain spot for something, and in doing so, the employee has an accident. Since the employee was on the business of the employer and the employer is responsible for the acts of his agent or servant, the employer may be sued if the employee was negligent in the operation of his vehicle. The Non-Owned Automobile Policy protects the employer with respect to any such suits.

Non-Waiver: The known relinquishment or abandoning of rights, either by expressing or in writing.

Notice of Loss: The condition in an insurance policy requires that any person sustaining a loss against the property insured by the policy shall forthwith (immediately) give notice to the company of such loss. This notice is a condition precedent to recovery, unless waived by the insurer. Failure to give notice as required, has been held to be a bar against recovery.

Nuisance: An act unlawfully interfering with the person's use or enjoyment of land including the interference of easements and allowing or causing the escape of obnoxious things on to the land of another.

Null and Void: Of no legal or binding force.

Obsolescence: Changes in public tastes may change the value of an article even though it may not be worn out. Ten year old clothes may contain very good material but styles have changed and such clothes would not be very marketable because of obsolescence.

Occupancy: Occupancy is the act of holding possession of property or premises. The term implies the use of the building for the purposes described in the policy, and no other.

Occurrence: A happening, or an event.

Ocean Marine: A type of insurance coverage on cargo and ships on the high seas.

Off Premises Clause: A provision in residential policies providing coverage on some of the household goods (contents) when away from the premises within certain limits. This may not extend to contents held at another owned premises.

Onus (Propondi): The burden of proof.

Optional Loss Settlement Clause: A clause in an insurance policy permitting the insured under certain circumstances to have a choice of benefits. e.g. In a fire dwelling policy with an 80% co-insurance clause, an owner who carries insurance to 80% of the dwelling value, may have repairs made to damage resulting from an insured peril, without deduction for depreciation. This is provided the repairs do not exceed the actual value of the property.

Other Insurance: Normally insureds must disclose to an insurance company from whom they are purchasing insurance, information about what insurance, if any, they already carry on the property. As a matter of principle, insureds should also advise existing insurance companies of new policies which they are taking out on the same property. It is frequently waived, however, in many of the more routine policies which frequently carry some such wording as "other concurrent insurance permitted without notice until required".

P-Q

Package Policy: A single policy covering two or more separate risks for the same insured, with common effective dates and one overall premium.

Paid Losses: Total payments for claims made by an insurance company to discharge obligations under policies issued within a particular period.

Pair & Sets Clause: A clause found in insurance policies limiting the insurance company's liability in the case of the loss of a single item from a pair or set, to the actual value of only the lost item.

Partial Loss: A partial loss is one that neither (a) exhausts the insurance, or (b) completely destroys the insurance property.

Payee: The person to whom money is paid.

Payer: The party who pays the bill.

Peril: A potential cause of the loss. Thus an insured may have coverage against the "peril" of fire, explosion, windstorm, etc.

Personal Effects Policy: A policy covering the personal belongings of the insured anywhere in the world except at the insured's particular premises (which is presumably insured separately). It may be obtained either in an All Risks form or covering certain specified perils, such as "Outside Theft".

Personal Injury: All injuries to the person, including non-physical injuries such as false arrest, libel, slander, defamation of character, etc.

Personal Property: Property in which a person has an interest and which is personal, moveable or separable from realty. e.g. furniture, clothing, jewelry, dishes, etc. are personal property.

Personal Property Floater: A broad form of personal property coverage for essentially "All risks" coverage with certain exceptions.

Personal Theft: A form of protection for the insured against losses from the act of stealing.

Physical Hazard: The exposure to loss arising out of the physical features of the risk, such as location, construction, heating, fire protection, etc.

Plaintiff: One who is suing another.

Policy: A contract of insurance is referred to as a "policy". It is the legal document issued to the insured setting out the terms of the contract of insurance.

Policy Conditions: The conditions under which the insurance is written. Policy conditions are generally set out in the special part of the policy under some such heading as "policy conditions," or "special conditions" or "statutory conditions." They deal generally with the arrangement between the insured and the insurance company in such matters as how the insurer shall be notified of a claim, special limits of liability or trustee agreements, the rights to other insurance without notice, assignments, subrogation, etc.

Policy holder: A person in whose favour an insurance policy is issued. Commonly interchangeable with "Assured" and "Insured".

Policy Period: The time between the inception and the expiry of the particular insurance policy as it appears on the policy document.

Reserves: Insurance companies are required to hold money in reserves as related to each policy as a safeguard to the public in meeting their obligation to the public under the contracts.

Policy Writing Agent: Insurance agents who have authority from the companies they represent to issue policies.

Policy Year: In annual policies, it is the policy period. In policies for longer periods, it is the current year between anniversary dates.

Pool: A group of insurance companies who unite to underwrite some particular risk or certain types of risks. The collecting of premiums, paying of losses and expenses involved are divided on an agreed basis.

Power of Attorney: A written instrument empowering another person to act for the person giving them power of attorney. The person giving the power is known as the "principal" and the person who is acting in substitution for the principal is called the "attorney". From this we get the "attorney in fact".

Precedent: Generally refers to something that has happened earlier in time. In the courts, the ruling of an earlier court in a similar sets of circumstances is considered as a guide in deciding on a current case. A decision on any point establishes a precedent which might be expected to be followed in similar situations which may arise in the future.

Premises: Building, etc. including the land immediately surrounding and belonging to it.

Premium: A sum of money paid by the insured in consideration of the protection afforded by the insurance policy.

Premium Reserve: The premium reserve on each policy is an amount equal to the unearned portion of the policy premium which is pro-rated between the time of calculation and the expiry of the individual policy.

Prescription: A time, after which a cause of action ceases. Statutes set out a period of time in various circumstances, where an action must commence. The cause of action fails if the action was not started within the prescribed time period.

Prime Insurance or primary insurance: First paying insurance coverage as distinct from "Excess Insurance" which pays only after the prime or primary insurance limit is exhausted.

Prior Insurance: Insurance written prior to the present policy on the same or similar risk.

Privity of Contract: A binding relationship which exists between the immediate parties to a contract.

Producer: A term commonly applied to an agent or broker who sells insurance directly or indirectly to the public.

Prohibited Risk: Any class of business which an insurance company will not insure under any circumstances or conditions.

Proof of Loss: A sworn declaration (by the insured) giving details of the claim which the insured is making. The details would include the cause and extent of loss.

Property Damage: In insurance this generally refers to damage to physical property of others as distinct from personal injuries to others. It is commonly written in conjunction with such public liability or personal injury insurance.

Property, preservation of: The policy requires that it is the duty of the insured to do whatever they reasonably can to save and protect the property insured at, during and after a fire. In case they do not do so, the company will not be liable for loss arising out of such failure. This means that the insured is, under the conditions of his policy, bound to do whatever they can to minimize the loss.

Pro rata: In proportion or proportionately.

Pro rata cancellation: An arrangement for the termination of an insurance contract, usually by the insurance company, in which the insured is refunded the exact proportion of the premium which has not yet been used.

Pro rata clauses: A provision in an insurance policy to pro rate the loss. It may be a provision to pro rate between the insured and the insurance company such as the co-insurance clause, or it may be a provision to pro rate as between other insurance companies on the same risk.

Protected: A fire risk in an area served by a fire department and fire hydrant.

Protection: The coverage afforded by the policy and is frequently used interchangeably with the word "coverage." Also refers to the protection of a fire risk in areas served by a fire department.

Protection and Indemnity: (Known as "P.&I."). Liability insurance carried by marine carriers to protect against damages or injuries occasioned by the use and operation of the vessel.

Provisional Premium: An advanced premium on policies which vary in amount and in which the final adjustment of premium is made at the end of the policy term and/or at set intervening times.

Proximate cause: The effective cause of the loss.

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Public Adjuster: An adjuster representing an insured. In most areas, they are required to be licensed and are permitted only to act for the insured and not the insurance company.

Public Policy: The principles under which freedom of contract or private dealings are restricted by law for the good of the community.

R

Radioactive Material: Material giving off nuclear radiation is known as radioactive material. Isotopes and many other such materials are now in very common use in industry for many purposes. Insurance in connection with its use can be purchased from insurance companies. Some geological machines contain radioactive materials.

Rate: The unit of charge used to calculate the premium for the policy. It is based on the experience of the class of risk and is fixed at a level which will enable the insurance company to accumulate sufficient funds from all like risks, to pay the losses for the fewer within the class who have losses and provide sufficiently for the expenses of collecting and disbursing the funds.

Rebuilding or repairing: If the company elects to rebuild or repair the premises damaged or destroyed, under their powers within the Statutory Conditions in fire policies, it must give notice of its intentions within a stated time period after receipt of the Proofs of Loss.

Recovery: Money which reduces the amount of a claim or loss (e.g. contribution from another insurance policy, third parties responsible for the loss or the sale of salvaged or recovered property).

Refund: Return Premium.

Reinstatement: The reinstatement of a policy is to bring it back up to the same amount and force as it was prior to the loss. Some forms of policies carry "automatic reinstatement" by which the principal sum stated on the face of the policy is reinstated automatically after a loss for which there may or may not be an additional premium. Repairing or replacing property lost or damaged instead of making a cash payment.

Reinsurance: The placing of part of the insurance by an insurance company with another insurance company called a reinsurer. Thus where an insurance company has a larger portion of the particular risk than they feel wise to carry, they may buy insurance from another insurance company thus "reinsuring" part of that risk. It is designed to limit the original insurer's liability on any one risk or class of risk.

Reinsurer: An insurer who assumes the risk of another insurer under a reinsurance contract.

Release: A discharge from obligation or responsibility, to let go of, or give up a legal claim. The most common types in insurance are :- (a) First Party Release - between the insured and the Insurance company, (b) Third Party Release - between the insured and a third party and (c) Indemnifying Release - Between the insured and a guardian for another person not legally mentally competent.

Renewal: Continuing an insurance contract for a successive period of insurance on the same terms and conditions.

Renewal Certificate: The legal document issued to the insured continuing the insurance for a further specified period.

Renewal Premium: Premium required for the continuation of a policy for a further specified term.

Rent Insurance: A form of loss of use insurance protecting against loss of income from rents. It is particularly valuable where a landlord may depend upon an income of rents from their various premises to pay mortgages. In event of fire, the rents may cease but their obligation to pay the mortgage may continue.

Repairs: Ordinary repairs are permitted to a property without notice to the company. Generally the conditions of the policy set a limit of time or value for which such repairs can be effected. For anything exceeding these limits, the company's consent in writing must be obtained. Also if the repairs take the form of any reconstruction or remodeling of the building, the work is "extra-ordinary" and must, from the date of commencement, be agreed to by the company. Failure to observe the conditions relative to repairs may void the policy or a claim.

Replacement Cost Clause: Applies generally to mean the cost of replacement. In the event of fire, to a building covered by a policy with a replacement clause, repairs or replacement will be made with material of like kind and quality without cost to the insured for depreciation or betterment.

Replacement Value: The cash value representing what it would cost to replace the particular article which is the subject of the insurance.

Representation: The acceptance or rejection of an insurance risk and the amount of premium that would be required, is determined by facts submitted by the person applying for such insurance. An improper statement in the "representation" of the risk is generally corrected by endorsement or possibly where required the charging of an additional premium. The penalty for false information on material facts or warranties may be the voiding of the policy.

Reserve: Insurance companies are required to hold sums of money in special accounts, as required by law, to cover estimates of all outstanding reported losses (loss reserves) and portions of each premium which relates to the unexpired period of insurance (unearned premium reserve). The object of these reserves is to protect the insuring public against any possible financial loss.

Residence Employee: A person whose work is associated particularly with one or more residential buildings.

Res Ipsa Loquitur: Roughly translated means "the facts" (or things) speak for themselves. It is a doctrine of law or a presumption of certain facts.

Return Premium: The amount of premium returned to the insured because of a reduction in the amount and/or type of coverage or improvement in the risk. Also this is the amount of premium returned to the insured, usually because of the early termination of a policy.

Rider: A rider is a separate document attached to and extending another policy. Extensions of a policy are normally made by endorsements. Where, however, this extends to an additional form of coverage, it is performed by the addition of a "Rider" to the policy.

Riot: A disturbance of the public peace, through unlawful assembly of three or more persons, in the execution of some private object.

Risk: A term often applied to a personal property insured. The uncertainty of an economic loss.

Robbery: The taking of property of another during which the person being robbed is put in fear of personal violence.

Running Down Clause: Used in marine insurance to indicate collision with another ship.

S

Safe Burglary Insurance: Protection against loss by forcible entry into a safe.

Safety Deposit Box Insurance: A form of policy protecting the contents of a safety deposit box from loss.

Salvage: Property which has been damaged by an insured peril but still has some realizable value. This value is taken into account in determining the amount of the loss. It is also used as indicating the process of taking steps to reduce the amount of a loss. Such as the removal of goods during the course of a fire to prevent damage or the removal of the goods after the fire to prevent further damage.

Schedule of Insurance: A detailed list of individual items attached to the policy describing the property, locations, amounts insured and the conditions that apply. e.g. a list of jewelry under a jewelry floater, a list of various cars insured under an automobile policy, a list of various buildings insured under a fire policy.

Scheduled Property: Property which is specifically identified and assigned a value in the policy. Different provisions of the policy may apply to losses under unscheduled or the general coverage of the policy and those for the scheduled property.

Self-Insurer: A person, corporation or organization which retains all or part of a risk itself instead of using an insurer.

Settlement: An agreement between parties concerned. In insurance it is usually an agreement as to the amount of money to change hands to discharge a liability.

Slander: The oral utterance or spreading of a falsehood harmful to another's reputation.

Smoke Damage: Damage caused by smoke. Where there is a fire it is common to find a good deal of the property damaged by smoke from the fire, even though the particular item is not damaged by the actual fire at all. Such damage is covered by the fire policy.

Specific Insurance: Insurance on items individually or specially described.

Sprinkler Leakage Insurance: A policy that protects against damage accidentally arising from the discharge of water from the sprinkler system.

Standard Forms: Any form of insurance which is written on a standard wording by all insurance companies is known as a standard form. Generally speaking, the only "standard forms" of insurance policy are those which are set down by legislature as being the required form to be written as is the case most provinces for automobile insurance. In other types of insurance, the forms may be similar but not necessarily identical. Therefore it is important to compare policy wordings.

Standard Provisions: The essential parts of an insurance contract which are the same as are commonly used in the industry.

Statuary: Sculptured figures in the round. This and other works of art should be covered by specifically itemizing them on the policy with a full description and setting an agreed value against each.

Storage: Those articles held for safekeeping, to be delivered in the same condition as when received.

Subrogation: Legal process by which an insurer who has paid a loss pursues any rights or recovery against a responsible third party in the name of the insured.

Subrogation Release: A release taken by the insurance company on indemnifying its insured, which contains a provision that the insurance company shall be "subrogated" to the rights of recovery from a responsible party.

Subscription Policy: A single insurance policy in which two or more insurance companies may all take a portion of the risk. It indicates on the policy, the proportion to be borne by each company. It is usually issued by the company taking the largest percentage and signed by or on behalf of the other insurers.

Substandard Risks: Insurance risks that are more hazardous than the standard risks and accordingly require somewhat higher rates.

Sum Insured: Amount for which insurance is effected and on which the premium is based.

Surrender: Cancellation of a policy (before normal expiration) by mutual consent between the insured and insurance company.

Survey: An examination or inspection of a risk to be insured.

T-U

Tenant: One who holds property, houses or land owned by another, by payment of rent.

Tenants Package Policy: A package policy specially designed to meet the normal insurance requirements of a private tenant, covering personal belongings and liabilities.

Term: The period of time from the inception to the termination of an insurance policy or bond.

Theft: The wrongful taking of the property of another. Any act of stealing, including larceny, pilfering, robbery or burglary.

Third Party: In an Insurance Liability policy the third party is a person who may be injured or whose property may be damaged other than the insured or the insurance company. A person claiming against the insured. The company and the insured are the other two parties.

Third Party Insurance: A type of insurance in which the insured is indemnified with respect to any loss which they might suffer as a result of there legal liability to others arising out of a peril against which the particular insurance is written.

Time on Risk: An incomplete period of insurance for which a premium is charged.

Tort: A civil wrong, or injury caused by one person to another.

Total Loss: A claim for the whole amount covered by the insurance.

Trespass on Land: The act of entering on to the property of another without permission or invitation from the owner.

Uberrimae fidei: "Utmost good faith". Certain transactions require the utmost of good faith on both sides, and both parties must disclose all relevant facts. It is a basic principle of all insurance contracts.

Umbrella Policy: A special form of liability policy designed to protect the insured for certain unknown contingencies over and above their normal coverages and limits.

Underinsurance: A situation in which insurance is less than the full value of the property insured. It becomes important with respect to co-insurance clauses where the insured is required to carry insurance to a certain proportion of the cash values.

Underwriter: The insurance company or group that underwrites or insures a particular risk. It is also used as the identification of the individual within the company whose responsibility it is to accept or reject business in the particular line in which they specialize and in this way chooses risks their principals are prepared to underwrite.

Underwriting Profit (or Loss): The excess of earned premiums over the incurred losses and expenses, shows the underwriting profit. The reverse would show an underwriting loss.

Unearned Premium: The part of the premium which has not been used or earned, and which must be returned to the insured in the event of cancellation of policy by the company prior to its full term.

Uninsured Motorist Coverage: If the insured's vehicle is damaged in an accident by a third party who is responsible and the court awards judgement in favour of the insured, but since the third party is uninsured and is unable to make good the payment, the insured's company will make such payment if coverage provided under their policy.

Unlicensed Insurer: An insurance company not licensed to operate.

Unnamed Insured: Where a policy extends to cover not only the person named as the insured in the policy but others whose names do not appear, such other persons are known as unnamed insured.

Unoccupied: Where the premises is complete with its content except for the human beings, such person being temporarily away from the premises, as for example on vacation, the premises are said to be unoccupied.

Unprotected: A property located in an area not regularly serviced by a fire department.

V-W

Vacant: A property is vacant when the normal occupant is absent and does not plan on returning.

Valuation: Same as Appraisal. Often required for insurance on valuables such as jewelry, furs, fine art, etc.

Value: The value of an article is the sum of money that would be required to replace the article with material of like kind and quality after all allowances for appreciation, depreciation, wear and tear, obsolescence, etc.

Valued Policy: One where the parties agree at the time of issuance on the value of the property to be insured.

Vandalism or Malicious Mischief: The intentional damaging or destroying of property. It does not necessarily require malicious intent against the owner of the article, but is based largely on a desire to damage or destroy. It is distinguishable from malicious mischief in that malicious mischief is the damage or destruction of an article because of malice or annoyance against some individual and is, in effect, something of a revenge.

Vicarious Liability: Liability imposed upon a person even though he is not a party to the particular occurrence (e.g. the owner of a motor vehicle is vicariously responsible for injuries even though he is not driving the car at the time of the occurrence).

Void or voidable: Null of no effect. A contract is void when it is destitute of all legal effect. A voidable contract is one which can be made void at the option of one of the parties.

Volunteer: One who gives service without reward or promise of reward.

Waiting Period: An accident or sickness policy condition providing that a weekly indemnity benefit will not become payable until after an agreed period of time commencing with the date of the accident or sickness.

Waiver: A voluntary relinquishment of a known right. A waiver under a policy is required to be clearly expressed and in writing.

Waiver of Co-insurance: The waiver of co-insurance provides that the co-insurance clause shall not apply where the total loss does not exceed a certain per cent of the sum insured or a stated amount. This is to save the costs of appraisal, or inventory, in relatively small losses.

Warranty: Guarantee or assurance. A stipulation in a contract, the breach of which nullifies the contract, such as certain warranties in an insurance policy. Also used as guarantee of condition, such as, "warranty of fitness." In insurance, a warranty is the general atmosphere of facts upon which the policy is rated and written. When insureds apply for insurance policies, they present certain facts to insurance companies upon which insurers can decide whether or not they wish to write the risk and what rate should be charged. Information supplied that is material to the underwriting or rating of the risk, is a warranty on the part of the insured. All other statements are merely representations. Many insurance policies contain clauses prescribing certain facts relating to the risk at the time it is offered for insurance and prescribing that the same condition will be maintained throughout the term of the insurance as a condition of the policy. These are warranties. Such a wording eliminates any question between the insurance company and the insured as to whether or not the particular requirements are merely representations or actual warranties as the policy definitely states they are warranties and, therefore, material to the risk.

Water Damage Clause: A portion of the policy affording coverage for certain specific causes of water damage.

Windstorm: A movement of air of sufficient violence to be considered a "storm." It is not defined on any meteorological scale.

Without Prejudice: A phrase, used in claims negotiations, meaning that any statement made in negotiation or any offer of settlement is not to be interpreted as an admission of liability, or as an admission of the amount of liability.

Witness: One who gives evidence in any case or matter.

Worldwide Coverage: The geographical limit of an insurance policy is usually stated in a policy and is generally restricted by territorial or continental boundaries. In some types of coverage, such as personal effects policies, personal property floaters and various other types of floater policies coverage is applicable anywhere in the world.

Written Premium: The total amount of premium collected on that class of business or on all classes of business.