

Actual Cash Value - Cost of replacing damaged or destroyed property with comparable new property, minus depreciation and obsolescence. For example, a 10-year-old sofa will not be replaced at current full value because of a decade of depreciation.

Adjuster - A representative of the insurer who seeks to determine the extent of the insurer's liability for loss when a claim is submitted.

Agent - An individual who sells and services insurance policies on behalf of an insurer.

Aggregate Limit - Usually refers to liability insurance and indicates the amount of coverage that the insured has under the contract for a specific period of time, usually the contract period, no matter how many separate accidents might occur.

Appraisal - The Valuation of property for damage resulting from an *insured* peril.

Arbitration - When both parties in a dispute agree to appoint a third party to review the case and impose a decision which is legally binding for both sides. When insurance companies dispute on the amount of a claim settlement.

Assets - Assets refer to "all the available properties of every kind or possession of an insurance company that might be used to pay its debts."

Automobile Liability Insurance - Coverage if an insured is legally liable for bodily injury or property damage caused by an automobile.

Bodily Injury - A cut, abrasion, bruise, burn, or disfigurement; physical pain; illness; impairment of the function of a bodily member, organ, or mental faculty; or any other injury to the body, no matter how temporary.

Casualty - Liability or loss resulting from an accident.

Casualty Insurance - The type of insurance that is primarily concerned with losses caused by injuries to persons and legal liability imposed upon the insured for such injury or for damage to property of others.

Claim - A demand made by the insured, or the insured's beneficiary, for payment of the benefits as provided by the policy.

Collision – The accidental upset of your auto or any physical contact of your auto with another object.

Comprehensive Insurance - Auto insurance coverage providing protection in the event of physical damage (**other than collision**) or theft of the insured car.

Declarations Page – The section of an insurance policy that “personalizes” it. It declares the named insured, the property being insured, coverage, premium, deductible, policy period, policy number and company officer.

Deductible - Amount of loss that the insured pays, the insurance company will then pay the remaining amount.

Dwelling - This amount of insurance applies to the dwelling described in the policy and any attached structures. Building equipment and outdoor equipment used for servicing of the building and located on the described premises is also covered.

Earned Premium - The amount of the premium that has been paid for in advance that has been "earned" by virtue of the fact that time has passed without claim. A three-year policy that has been paid in advance and is one year old would have only partly earned the premium.

Effective Date - The dates of the policy in which the coverage is active.

Exclusions - Items or conditions that are not covered by the insurance contract.

Expiration - The date the policy is no longer effective unless it has been renewed.

Exposure - Measure of vulnerability to loss.

General Liability Insurance - Insurance designed to protect business owners and operators from a wide variety of liability exposures. Exposures could include liability arising from accidents resulting from the insured's premises or operations, products sold by the insured, operations completed by the insured, and contractual liability.

Guaranteed Replacement Cost – Will pay to completely rebuild property even if the amount is more than the policy limit. It does not account for depreciation.

Hazard - A circumstance that increases the likelihood or probable severity of a loss.

Household Member – Anyone living in your household who is related to you by blood, marriage or adoption. This includes wards, step-children, and foster children.

Indemnity - Restoration to the victim of a loss by payment, repair or replacement.

Insurable Interest - Interest in property such that loss or destruction of the property could cause a financial loss.

Insurance Adjuster - A representative of the insurer who seeks to determine the extent of the insurer's liability for loss when a claim is submitted.

Liability - Broadly, any legally enforceable obligation.

Loss of Use - Coverage added for extra expenses incurred due to a covered loss.

Named Perils - Perils specifically covered on insured property.

Occurrence - An event that results in an insured loss. In some lines of business, such as liability, an occurrence is distinguished from accident in that the loss doesn't have to be sudden and fortuitous and can result from continuous or repeated exposure which results in bodily injury or property damage neither expected nor intended by the insured.

Other Structures – Detached structures on the residence premises as listed on the declarations page.

Peril - The cause of a possible loss.

Personal Injury Protection - Pays basic expenses for an insured and his or her family in states with no-fault auto insurance. No-fault laws generally require drivers to carry both liability insurance and personal injury protection coverage to pay for basic needs of the insured, such as medical expenses, in the event of an accident.

Personal Property - Personal property (belongings) owned by the insured. It also applies to family members while on the described location in the declarations page.

Policy - The written contract stating the insurance coverage.

Premium - The price of insurance protection for a specified risk for a specified period of time.

Property Damage – Damage to *other* property.

Renewal - The automatic re-establishment of in-force status affected by the payment of another premium.

Replacement Cost - The dollar amount needed to replace damaged personal property or dwelling property without deducting for depreciation but limited by the maximum dollar amount shown on the declarations page of the policy.

Residence Premises - The insured location on the policy shown on the declaration page.

Subrogation - The right of an insurer who has taken over another's loss also to take over the other person's right to pursue remedies against a third party.

Total Loss - A loss of sufficient size that it can be said no value is left; the complete destruction of the property. The term also is used to mean a loss requiring the maximum amount a policy will pay.

Umbrella Policy – Liability coverage for losses above the limit of an underlying policy or policies such as homeowners and auto insurance.

Underwriter - The individual trained in evaluating risks and determining rates and coverage for them. Also, an insurer.

Uninsured Motorist Coverage - Endorsement to a personal automobile policy that covers an insured collision with a driver who does not have liability insurance.