

# Glossary of Terms

## General Liability

- **Products and Completed Operations Liability**- Provides coverage resulting from bodily injury and/or property damage, that occurs off insured premises' involving the insured's completed products or work.
- **Personal Injury**- Provides coverage for the INSURED in the event the INSURED'S negligent acts and/or omissions result in libel, slander, invasion of privacy or false arrest/suit.
- **Medical Payments**- Covers medical and funeral expenses of third parties regardless of fault due to injury or death by accident specifically stated on policy. General Aggregate- Maximum dollar amount of coverage in force under said policy during any one policy period.
- **Occurrence Form**- Protects against claims of negligence under the policy that is/was in force during the time that the loss occurred.
- **Claims Made Form**- Coverage is provided by the policy that is/was in force during the time that the claim was reported regardless of when the loss occurred.
- **Bodily Injury**- Refers to physical injury, sickness, disease or death of a third party.
- **Property Damage Liability**- Coverage in the event that the negligent acts or omissions of an insured result in damage or destruction to another's property in the care custody or control of the insured,
- **Fire Legal Liability**- Coverage for property losses as a result of negligent acts and/or omissions of the insured, which allows the spreading of a fire to damage others' property.
- **Employee Benefits Liability**- 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.

## Commercial Property

- **Building**- Buildings specifically stated in policy as well as anything permanently affixed to building including: additions, alterations, fixtures, extensions machinery and equipment.
- **Business Personal Property**- Covers property belonging to the business that is destroyed or damaged resulting from losses such as fire, vandalism, theft, smoke etc.
- **Boiler and Machinery**- Covers losses resulting from the malfunction of boilers and/or machinery.
- **Business Interruption/Business Income**- Coverage for losses of business income (including any continuing normal operating expenses plus payroll) sustained, due to the necessary suspension of business operations.
- **Flood**- Coverage for damages resulting from the overflow of inland or tidal waters, rapid accumulation or runoff of surface waters, as well as damages resulting from mudslides or mudflows due to the causes defined above.
- **Earthquake**- Covers losses resulting from direct damage sustained from an earthquake or volcanic eruption.
- **Electronic Data Processing/Computers**-
- **Ocean Marine**-Coverage in the event of a marine loss (damage or destruction of a ships hull and/or the ships cargo) as a result of a covered cause of loss including: collision, fire, piracy, capsizing as well as various other liability coverage's.
- **Building Ordinance or Law**- Pays for the loss of value and demolition of an undamaged portion of the existing building which must be demolished and/or removed to conform to ordinance laws. Pays for any increased expenses incurred to replace or repair the building with one conforming to building laws or ordinances.
- **Extra Expenses**- Pays for the additional costs, over and above normal operating expenses in which a business incurs, in order to continue operations after a loss.
- **Inland Marine**- Coverage against damage or destruction of someone else's property while in the care, custody and control of the shipper and/or while in transit by other than ocean vessels.
- **Replacement Cost**- Pays the actual cost to replace damaged property without deducting for depreciation.
- **Actual Cash Value**- Pays actual cost to replace damaged property less depreciation.
- **All Risks**- Insurance contract that covers every loss except for those specifically excluded.
- **Named Perils**- Insurance contract which lists covered causes of loss.
- **Business Income**- This coverage is intended to cover business profits and continuing expenses in the event the business is shutdown or partially shutdown due to a covered loss.

- **Loss of Rents**- Covers actual loss of rents due to covered loss up to policy limits.
- **Agreed Amount Endorsement**- Agreement made by the insurance company wherein it waives the coinsurance clause on the specified property.
- **Co-Insurance Clause**- 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.

## **Auto Insurance**

- **Hired & Non Owned Auto**- Coverage for an employer against liability for property damage or physical injury arising from an employee operating a personally owned, rented or leased vehicle for the benefit of the employer.
- **Bodily Injury**- Injuries to a third party resulting from the negligence of insured driver- not to include passengers in insured vehicle.
- **Property Damage**- Coverage for damages to third party vehicle arising out of negligence of insured driver.
- **Comprehensive**- Physical damage coverage that includes all property losses and damages, except collision and causes of loss specifically excluded in policy form.
- **Collision**- Covers damages to insured vehicle resulting from physical contact of insured vehicle with any object stationary or moving.
- **Specified Perils**- A policy that insures only against perils specifically stated on policy.
- **Medical Payments**- Coverage for third party medical expenses up to policy limits regardless of fault in the event of an accident.
- **Personal Injury Protection**- Coverage for basic medical expenses up to policy limits for the insured and members of insured's family in the event of an accident.
- **Uninsured Motorist**- Covers bodily injury to insured and/or property damage to insured vehicle- involved in a collision with a driver that does not have liability insurance.
- **Underinsured Motorist**- Covers bodily injury to insured and/or property damage to insured vehicle- involved in a collision with a driver that does not have enough liability insurance to cover said damages/injuries.
- **Drive Other Car Coverage**- Coverage for employees or executives of a company, or any other person who is supplied a company vehicle, but who does not own a personal vehicle.
- **Garage Keepers Liability**- Provides coverage for loss or comprehensive damages to vehicles while they are in the care, custody and control of the garage.

## Workers Compensation

- **Experience Modification**- Adjustment of premiums resulting from the use of statistical procedures used to calculate premiums based on the loss experience of an insured group.
- **Dividend**- The sum returned to a policyholder by an insurance company under a participating policy.
- **Employers Liability**- Coverage provided in the event of legal action against you as a result of worker injury, occupational disease or death.
- **Managed Care Discount**- Discount given when employers and employees follow certain guidelines or protocols to improve and manage the method of selecting health care providers.
- **Expense Constant**- a premium charge approved by the superintendent of each state that applies to every policy, in addition to other premium charges, covering expenses such as those for issuing, recording and auditing that are common to all workers' compensation policies regardless of premium size.

## Excess Insurance

- **Self Insured Retention**- Portion of property a property or liability loss retained by a policy holder.
- **Excess vs. Umbrella**- *Umbrella Coverage*- Overlays MOST of the major policies within an insurance program- increasing the liability limits of each, typically offers broader coverage with fewer exclusions, provides 1<sup>st</sup> dollar liability coverage in most cases. *Excess Coverage*- Overlays a SPECIFIC liability insurance policy, incorporates all of the provisions of the underlying policy, does not have any effect on any other liability policies the insured may have.

\* Terms listed are for informational purposes only and do not in any way offer or bind coverage.