

There are multiple type of insurances. But I want to highlight some of the insurances.

Life Insurance

Life insurance protects an individual against death. For example, I buy life insurance from your insurance company, and then your company must pay certain amount of money if I will die.

Health Insurance

Health insurance is to cover for medical and surgical expenses.

Vehicle Insurance – Commercial

This type of insurance is to cover for any damages or losses of company vehicle or office vehicle.

Vehicle Insurance – Personal

This type of insurance is to cover for any damages or losses of personal vehicles.

Travel Insurance

It is planned to cover flight accident, lost luggage, and other losses while travelling.

General Liability Insurance

This type of insurance is to cover for your product and service if they are damage. It is also for your employee if they are injury.

Property Insurance

This type of insurance is to cover for your own building and your business property, for example office equipment, your computer, your inventory.

Terms in Insurance Domain

Accidental Death Benefit

It is under group of life insurance policy, after death, benefit must be paid to the beneficiary. But insurance company must make sure that he/she died because of an accident.

Agent

The person who sell insurance services/policies.

Annual Administrative Fee

Administering price for a group of employee benefit plan.

Annuity

It is some kind of payment which insurance company must pay to the annuitant or beneficiary for a specific period based on policy.

Assets

Asset = Liabilities + Owner's Equity

Automobile Liability Insurance

It is fall under vehicle insurance. This insurance will be covered if your vehicle is damage or failure.

Balance Sheet

It is some kind of company financial position. In generally, you can generate balance sheet report every end of each months. It show total company asset at the left side, and it also show total company liabilities plus total company equity.

Benefit Period

It is number of days that insurance company must pay any benefit to its annuitant.

Broker

Insurance sale person who search marketplace.

Claim

The request for benefits made by insured, the person who bought insurance policy.

Collision Insurance

It will be covered if your automobile is loss or damage. But the damage should be because of insured driver.

Commercial Lines Insurance

It protects business from potential losses. Commercial lines insurance include products such as automobile insurance, worker compensation insurance, flood insurance, aircraft insurance etc.

Coverage

The protection scope provided by insurance policy.

Coverage Area

Geographic location covered by travel insurance.

Contestable Period

It is investigating period before insurance company pay any benefit to policy holder.

Death Benefit

The benefit which needed to give to beneficiary after insured die.

Dividend

It is some kind of payout which Insurance Company pays back to insured out of its profit.

Earned Premium

The amount of premium was earned by insurance company. Protection is already provided to the customer.

Exclusion

Conditions that are not covered by the insurance contract.

Health Reimbursement Account

It is to cover out of pocket medical expenses.

Health Saving Account

It is to contribute money for medical expenses.

Insurable Interest

For example, Merry want to buy homeowner insurance (it is some kind of property insurance). Before she buy such insurance, she must be home owner already. So the house that she own is insurable interest.

Mortgage Insurance

For example, John bought mortgage insurance. But unfortunately, he passed away after that. But his family no need to worry to pay for home loan. Because they will receive a lump sum payment to cover their mortgage.

Personal line insurance

Insurance for individual and families.

Policy

The document which show detail for term and conditions of insurance contract.

Premium

For example, I want to get insurance coverage for my car. So I will buy insurance policy from your company. Then I have to pay premium to your company to receive the insurance coverage.

Reinsurance

If the risk is too big for insurance company A, then company A can reinsurance to another insurance company B. It is some kind of risk sharing. Company B is reinsurer.

Surplus

The amount which asset exceed liabilities.

Umbrella Policy

Umbrella policy is liability insurance and it is very helpful when the insurance owner is sued.

Insurance Underwriter

Insurance underwriter evaluates the risk before selling insurance to specific person.

Underwriting

It is a process of evaluating the risk before insurance and classifying them so that appropriate premium rate can be assigned.

Unearned Premium

The amount of premium was received by insurance company. But protection is not provided yet.

Variable Life Insurance

Variable life insurance is a permanent life insurance policy with an investment plan. You can invest in wherever you like and the amount to invest is very flexible.

Whole Life Insurance

Whole life insurance is a permanent life insurance policy with an investment plan. It has no flexibility how your money will be invested.

Questions Answers

Revocable beneficiary vs Irrevocable beneficiary

Policy holder can change beneficiary's name without needing permission from beneficiary. It is called revocable beneficiary. Irrevocable beneficiary is that policy holder need permission from beneficiary or annuitant to change beneficiary's name.

No claim bonus or discount

Policy holder do not claim any benefit in current year. So he/she may get some discount for next year premium.

Declaration page in insurance policy

It is all about policy holder information and type of insurance coverage and loss payee information.

Loss payee

For example, Alex has a car on loan. He is keep paying installment to bank for his loan. He also has vehicle insurance for his car. But one day, unfortunately, his car is accident. And His car is totally damage. So his insurance company has to pay money to his bank for his loan. Here is the bank who borrow money to him is loss payee.

Deductible

Deductible is a decided amount that you have to pay while claiming the insurance. For example, Alex has a deductible of \$500 and he also has insurance coverage for \$2,000 then his insurance company will only pay him \$1500 because \$500 is deductible.

Co-insurance

It is process of splitting the insurance coverage between policy holder and insurance company. For example, Alex medical expense is \$100, so insurance company will pay \$80 and the rest \$20 will be paid by Alex himself.

Surrender Value

It is the payable amount for the person who surrendered the insurance which associated with investment components. It is also called as cash value.

Paid Value

The policy holder stops paying the premium but do not withdraw the cash saving amount. This amount is paid value.

Free look period

It is a time period when policy holder can cancel insurance policy without giving surrender value or any penalties.

Participating and non-participating policy

Participating policy can share profit of insurance company with the policy holder using dividend. But non-participating policy cannot share profit of insurance company with the policy.

Additional Insured

It is additional protection for policy holder. It may have coverage not only for original policy holder but also for his/her family members.

Indemnity

Indemnity is compensation for any damage or loss.

Double Indemnity

It is the agreement of double compensation from insurance company.

Subrogation

It is the process of taking reimbursement by insurance company. For example, Alex have an accident where his car gets damaged, and he have car insurance, the insurance company will pay Alex the money. But the insurance company comes to know that the accident occur due to other party fault, now they will claim the money from the other party this is known as 'subrogation'.

Elimination Period

It is the time period between beginning of the injury and receiving the benefit from insurance company. If you pay premium in higher price, then elimination period will be shorter.

Endowment Policy

It is special insurance policy which included investment plan for policy holder.

Third party insurance

Alex has car and his car was damaged by Johnson. Then Alex is first person, insurance company is second person, and Johnson is third person. That insurance will cover such kind of situation.

Schedule of loss

It is essential document to claim any benefit from insurance company. It included all information of loss and damage items.