

# **EXAMPLE** insurance

**Terms & Conditions**

## **Travel Cover**



Welcome to our Insurance Terms and Definitions file. This example guide is designed by Root.

## IMPORTANT INFORMATION ABOUT YOUR POLICY

Please read your insurance documents carefully to ensure that your cover is exactly what you need and keep them in a safe place.

### A

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**Accident:** An unforeseen and unintended event that causes injury, damage, or loss.

**Accidental Damage:** Sudden, unexpected, and visible damage which has not been caused on purpose.

**Actual Cash Value (ACV):** The value of your property, based on the current cost to replace it minus depreciation.

**Actuary:** A professional who analyzes financial risks using mathematics, statistics, and financial theory to study uncertain future events.

### B

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**Beneficiary:** The person or entity designated to receive the benefits from an insurance policy.

**Binder:** A temporary insurance contract that provides coverage until the formal policy is issued.

### C

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**Cash in Lieu Payment:** A cash payment in the event that we are unable to repair or replace your damaged property.

**Claim:** A request made by the insured to the insurance company for payment of benefits under a policy.

**Coverage:** The protection provided by an insurance policy against specific risks.

### D

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**Deductible:** The amount the insured must pay out-of-pocket before the insurance company pays a claim.

**Depreciation:** The reduction in the value of an asset over time due to wear and tear.

### E

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**Endorsement:** A written amendment or addition to an insurance policy that changes the original terms or coverage.

**Excess:** Your basic and any additional excesses which is the first amount you are responsible for in the event of a claim. We confirm any applicable excess in your policy schedule.

**Exclusion:** A provision in an insurance policy that eliminates coverage for certain risks, people, property, or locations.

## F

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**Face Value:** The amount stated in a life insurance policy to be paid upon the death of the insured or at policy maturity.

**Family or Family member:** You and any of the following people if they normally live with you and who are financially dependent on you:

- your husband, wife or partner;
- children (including foster children);
- your relatives.

**First Party:** The insured in an insurance contract, the person or entity covered by the policy.

## G

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**Grace period:** The additional time allowed for the payment of a premium without penalty, typically after the due date.

**Group Insurance:** Insurance coverage provided to a group of people under a single policy, often offered by employers.

## H

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**Hazard:** A condition that increases the probability of an insured event occurring

**Home:** Your home which is the building you reside in at the risk address shown on your schedule, its garages, and any other buildings at the same address.

## I

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**Indemnity:** Compensation for loss or damage paid by an insurance company to the insured.

**Insured:** The person or entity covered by an insurance policy.

**Insurer:** The company providing insurance coverage to the insured.

## J

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**Judgment Rating:** An insurance pricing method where rates are based on the underwriter's judgment and experience rather than strictly on statistical analysis.

## K

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**Key Person Insurance:** A policy that provides financial protection to a business against the loss of a key employee due to death or disability.

## L

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**Liability Insurance:** Coverage that protects against claims alleging that one's negligence or inappropriate action resulted in bodily injury or property damage.

# EXAMPLE insurance

**Lapse:** The termination of an insurance policy due to non-payment of premiums.

## M

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**Maturity Date:** The date on which the face value of a life insurance policy is paid out, either due to the death of the insured or the end of the policy term.

**Mortgage Insurance:** Insurance that protects a lender against loss if a borrower defaults on a mortgage.

## N

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**Named Perils:** Specific risks or causes of loss listed in an insurance policy.

**No-Fault Insurance:** A type of insurance where insureds are compensated for losses by their own insurance company, regardless of fault.

## O

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**Occurrence:** An event that results in a loss or damage covered by an insurance policy.

**Out-of-Pocket Limit:** The maximum amount the insured must pay for covered services in a given period before the insurance company pays 100% of covered expenses.

## P

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**Policy:** A written contract of insurance between the insurer and the insured.

**Premium:** The amount paid by the insured to the insurer for coverage.

## Q

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**Quote:** An estimate of the premium for a given insurance coverage based on specific information provided by the applicant.

## R

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**Reinsurance:** Insurance purchased by an insurance company from another insurer to protect itself from large claims.

**Rider:** An amendment to an insurance policy that changes the terms or scope of the original policy.

## S

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**Settlement:** The payment of a claim by the insurance company.

**Subrogation:** The process by which an insurance company seeks reimbursement from the responsible party for a claim it has already paid.

## T

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**Term Insurance:** Life insurance coverage for a specified period, such as 10 or 20 years, with no cash value.

**Third Party:** Any person or entity other than the insured and the insurer who might have a claim against the insured.

## U

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**Underwriting:** The process by which insurers evaluate the risk of insuring a home, car, individual, etc., and determine the premium.

**Umbrella Policy:** Supplemental insurance that provides additional coverage beyond the limits of the insured's primary policies.

## V

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**Valuation:** The process of determining the value of an asset for insurance purposes.

**Variable Life Insurance:** A type of life insurance where the policyholder can allocate a portion of the premium into investment accounts.

## W

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**Waiver of Premium:** A provision that allows the insured to stop paying premiums if they become disabled and are unable to work.

**Whole Life Insurance:** Life insurance that provides coverage for the insured's entire lifetime with a savings component.

## X, Y, Z

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**Ex Gratia Payment:** A payment made by an insurer in settlement of a claim for which there is no legal obligation.

**Yield:** The earnings generated and realized on an investment over a particular period.

**Zero Depreciation Cover:** An add-on cover in car insurance that ensures no depreciation is subtracted during claim settlement.

## YOUR PERSONAL LINES COVER EXPLAINED

This policy is designed for the individual who wishes to build his/her own cover and insure all his/her assets on one policy.

## THE CONTRACT

The policy wording and your policy schedule constitute a legal contract between you and us. This contract is based on the information you provided either over the phone or in writing. Our duty is to provide coverage as outlined in this policy wording, subject to the policy terms and specific rules in your schedule for the selected sections reflected in your policy schedule during the insurance period. Your duty, as per the contract, is to adhere to the rules explained in this policy wording and your schedule. Failure to fulfill your duty may result in an increased premium, policy cancellation, or denial of your claim.

## CANCELLATION

You may cancel this policy immediately or on a date and time of your choosing. We may cancel this policy by providing you with 31 days' written notice. Upon cancellation (whether by you or us), you will not be entitled to claim for any events occurring after the date of cancellation.

## MONTHLY PREMIUM

If you have opted for a monthly policy, it will be valid for one calendar month and automatically renewed each time you pay your premium in advance. It is your responsibility to ensure that sufficient funds are available in your account and that your premium is paid when we submit the debit order. If we do not receive your premium by the due date or within 15 days thereafter, you will have no coverage for that month. Unless you instruct us otherwise, we may, at our discretion, continue to attempt to collect your premium. All bank charges are your responsibility. If we need to debit more than once, the extra costs are your responsibility. You will have no coverage for any month in which we did not receive a premium. If we do not receive your first premium (in the first month), the policy will not commence, and you will not have any coverage.

## GENERAL EXCLUSIONS

THIS POLICY (ALL SECTIONS) DOES NOT PROVIDE COVER FOR THE FOLLOWING GENERAL CLAIM EVENTS.

## BREAKING OF THE LAW

You are not covered for any losses that occur as a result of or while you are transgressing any relevant laws.

## CONTRACTUAL AGREEMENTS

You are not covered for any liabilities for which you are lawfully responsible under a contract unless you would have been lawfully responsible if the contract did not exist.

## SALE AGREEMENTS

You are not covered for loss or damage caused by an actual or supposed exchange, cash or credit sale agreement. This includes theft by false pretences and/or fraud.

## COOLING-OFF PERIOD

During the cool-off period, you have the opportunity to review your policy in detail. This period typically lasts 14 days from the date you receive your policy documents. If you decide the policy isn't right for you, you can cancel it within this timeframe without any penalties or charges. We'll refund any premiums you've paid, provided you haven't made any claims.

## WAITING PERIOD

At Example Insurance, some benefits have a six-month waiting period from your policy start date. This helps keep premiums affordable and fair for everyone. For maternity expenses, there's a twelve-month waiting period, allowing you to plan ahead with confidence. Understanding these periods ensures you get the most out of your coverage.

### If you have any questions:

- Send us an email: [support@exampleinsurance.com](mailto:support@exampleinsurance.com).
- Visit our website, [exampleinsurance.com](http://exampleinsurance.com), and reach our via our contact form.

## HOW TO CLAIM

Should you or your beneficiary wish to initiate a claim, please log into your app or contact us at [support@exampleinsurance.com](mailto:support@exampleinsurance.com). Once you have submitted your claim, we will promptly reach out to provide updates and guide you through the process