

# Lesson 3 Coverage Terms

## 3.1 Requirements

In this lab exercise, you will gain familiarity with coverage terms in the product model. You will practice locating coverage terms using the Product Designer tool.

## 3.2 Coverage terms



### Activity

Investigate coverage terms.

Using Product Designer, answer questions about the coverage terms in the base application.

The Personal Auto policy has a Physical Damage Group coverage category. It includes five coverages in the base application: Comprehensive, Collision, Collision – Limited Coverage, Rental Reimbursement, Towing and Labor.

1. **For each description listed below, find all the coverage term(s) associated with the coverages listed above that meet the description. Which coverage term(s):**
  - a) Are associated with a coverage with only one coverage term (two answers)?
  - b) Are treated as deductibles by the rating engine (two answers)?
  - c) Is treated as a limit by the rating engine?
  - d) Are treated as neither deductibles nor limits by the rating engine (two answers)?
  - e) Has a value directly entered in the user interface?
  - f) Has the value selected from a list of individual numbers, for example, “500” (three answers)?
  - g) Has a value containing sets of numbers, for example, “500/1000/5000”?



Stop

### 3.3 Solutions



The Personal Auto policy has a Physical Damage Group coverage category. It includes five coverages in the base application: Comprehensive, Collision, Collision – Limited Coverage, Rental Reimbursement, Towing and Labor.

1. **For each description listed below, find all the coverage term(s) associated with the coverages listed above that meet the description. Which coverage term(s)...**

- a) Are associated with a coverage with only one coverage term (two answers)?

*Towing and Labor Limit, Rental Reimbursement*

- b) Are treated as deductibles by the rating engine (two answers)?

*Comprehensive Deductible, Collision Deductible*

- c) Is treated as a limit by the rating engine?

*Towing and Labor Limit*

- d) Are treated as neither deductibles nor limits by the rating engine (two answers)?

*Broadened Collision, No deductible for glass*

- e) Has a value directly entered in the user interface?

*None*

- f) Has the value selected from a list of individual numbers, for example, “500” (three answers)?

*Towing and Labor Limit, Collision Deductible Terms, Comprehensive Deductible Terms*

- g) Has a value containing sets of numbers, for example, “500/1000/5000”?

*Rental Package*

