**Insurance**

Insurance is the financial that provide protection against potential future loss or risk.

Types of loss in insurance,

1.Reputational loss  
2.Financial loss

3.Life of loss

Insurance company also called as insurer.

Policyholder or individual also called as insured.

Insured can add the person or entity in their insurance policy are called additional insured.

**Incident:**

Incident is referred to an event or occurrence may lead to claim an insurance policy.

**Risk:**

Risk is the possibility of an adverse result.

Risk is referred as the probability of the incident.

**Policy:**

Policy is the contract between the insurance company and the individual or business company who can purchase the insurance.

**Contract**--subject to compliance and regulations.

A contract is an agreement between insurance company and the individual which is enforceable by law.

**Agent:**

Agent is a licensed individual or a person that represents an insurance company and is authorized to sell its insurance products and helping clients understand their insurance needs, selecting appropriate policies, and facilitating the purchase of those policies.

**Underwriter:**

[Evaluates and analyzes the risks involved in insuring people and assets](https://www.bing.com/ck/a?!&&p=8643e4e4b2b24004JmltdHM9MTcyNTMyMTYwMCZpZ3VpZD0xZWExNGE3My0xMzNjLTY2MzgtMGMxYS01OTk3MTI5MTY3ZTQmaW5zaWQ9NTk4NQ&ptn=3&ver=2&hsh=3&fclid=1ea14a73-133c-6638-0c1a-5997129167e4&psq=underwriter+meaning+in+insurance&u=a1aHR0cHM6Ly93d3cuaW52ZXN0b3BlZGlhLmNvbS90ZXJtcy9pL2luc3VyYW5jZS11bmRlcndyaXRlci5hc3A&ntb=1).

[Establishes pricing for accepted insurable risks](https://www.bing.com/ck/a?!&&p=ba2e9b660dea8056JmltdHM9MTcyNTMyMTYwMCZpZ3VpZD0xZWExNGE3My0xMzNjLTY2MzgtMGMxYS01OTk3MTI5MTY3ZTQmaW5zaWQ9NTk5MA&ptn=3&ver=2&hsh=3&fclid=1ea14a73-133c-6638-0c1a-5997129167e4&psq=underwriter+meaning+in+insurance&u=a1aHR0cHM6Ly93d3cuaW52ZXN0b3BlZGlhLmNvbS90ZXJtcy9pL2luc3VyYW5jZS11bmRlcndyaXRlci5hc3A&ntb=1).

[Determines whether to provide insurance coverage and sets the terms and conditions of the policy, including premium rates](https://www.bing.com/ck/a?!&&p=af5b0922541ef69fJmltdHM9MTcyNTMyMTYwMCZpZ3VpZD0xZWExNGE3My0xMzNjLTY2MzgtMGMxYS01OTk3MTI5MTY3ZTQmaW5zaWQ9NTk5Mg&ptn=3&ver=2&hsh=3&fclid=1ea14a73-133c-6638-0c1a-5997129167e4&psq=underwriter+meaning+in+insurance&u=a1aHR0cHM6Ly93d3cuZmluYW5jZXN0cmF0ZWdpc3RzLmNvbS9pbnN1cmFuY2UtYnJva2VyL2luc3VyYW5jZS11bmRlcndyaXRlci8&ntb=1).

**Indemnity:**

Indemnity is a fundamental principle in insurance that ensures policyholders are compensated for covered losses without allowing them to profit from a claim. It provides a financial safety net, helping individuals and businesses recover from unexpected events while maintaining fairness and balance in the insurance system.

**Third Party Administrators:**

Third-Party Administrators in insurance are external companies or organizations that provide administrative. TPAs manage various aspects of insurance operations, such as claims processing, customer service, premium collection, and policy administration, allowing insurers and self-insured entities to focus on their core business activities.

Insurance company have set the limits help insurers control and manage their exposure to risk.

**Limit:**

Limit refers to the maximum amount of coverage that an insurance policy will provide for a covered loss.

**Incident limit:**

An incident limit in insurance refers to the maximum amount of coverage that an insurance policy will pay for a single incident or occurrence.

**Policy limit:**

This is the overall maximum amount the insurer will pay under the policy for all covered losses during the policy term.

**Deduction:**

Deductible is an amount the policyholder must pay out-of-pocket before the insurer pays for a covered loss. Deductibles effectively reduce the amount paid by the insurer and can influence the overall limit.

**Co-Insurance:**

Co-insurance is a cost-sharing mechanism in insurance policies where the policyholder and the insurance company share the costs of covered expenses after the deductible has been met.

If a health insurance plan has a 20% co-insurance clause, the policyholder pays 20% of the covered medical expenses, and the insurer pays the remaining 80%.