

## Insurance Glossary

Annuities	These are contracts between an individual and an insurance so that you deposit a sum of money with the insurance company and they in turn make monthly payments to you
Auto Insurance	An insurance policy to insure the value of your automobile. Many states require a minimum insurance coverage to register your vehicle
Accidental Death Benefit	In a life insurance policy, benefit in addition to the death benefit paid to the beneficiary, should death occur due to an accident
Adjustable Rate	An interest rate that changes, based on changes in a published market-rate index
Claim	A request for payment that you or your health care provider submits to your health insurer when you get items or services you think are covered
Contestable Period	Time during which the validity of an agreement or contract may be challenged. It is typically two years in case of life insurance policies
Deductible	Amount of loss that the insured pays before the insurance kicks in
Developed to Net Premiums Earned	The ratio of developed premiums through the year to net premiums earned. If premium growth was relatively steady, and the mix of business by line didn't materially change, this ratio measures whether or not a company's loss reserves are keeping pace with premium growth
Earned Premium	The amount of the premium that has been paid for in advance that has been "earned" by virtue of the fact that time has passed without claim. A three-year policy that has been paid in advance and is one year old would have only partly earned the premium
Health Insurance	An insurance policy to cover against health claims
Homeowners Insurance	An insurance to cover the value of real estate. Most mortgage companies require that you insure the value of the home to cover against loss while there is a mortgage in place
Insurable Interest	Interest in property such that loss or destruction of the property could cause a financial loss
Life Insurance	An insurance policy to cover against loss of life. There are various types of policies such as term and permanent insurance
Mortgage Insurance Policy	In life and health insurance, a policy covering a mortgagor with benefits intended to pay off the balance due on a mortgage upon the insured's death, or to meet the payments due on a mortgage in case of the insured's death or disability
Occurrence	An event that results in an insured loss. In some lines of business, such as liability, an occurrence is distinguished from accident in that the loss doesn't have to be sudden and fortuitous and can result from continuous or repeated exposure which results in bodily injury or property damage neither expected nor intended by the insured
Premium	The price of insurance protection for a specified risk for a specified period of time
Term Life Insurance	Life insurance that provides protection for a specified period of time. Common policy periods are one year, five years, 10 years or until the insured reaches age 65 or 70. The policy doesn't build up any of the non-forfeiture values associated with whole life policies
Takaful	Islamic insurance. Structured as charitable collective pool of funds based on the idea of mutual assistance. In Takaful the members are the insurers as well as the insured
Waiver of Premium	A provision in some insurance contracts which enables an insurance company to waive the collection of premiums while keeping the policy in force if the policyholder becomes unable to work because of an accident or injury. The waiver of premium for disability remains in effect as long as the insured is disabled