

<p>What are the four characteristics of an Insurance Contract?</p>	<ol style="list-style-type: none"> <li>1. Adhesion</li> <li>2. Aleatory</li> <li>3. Unilateral</li> <li>4. Conditional</li> </ol>
<p>What are the three types of For-Profit Insurers in terms of their home office and State of Ohio?</p>	<ol style="list-style-type: none"> <li>1. Domestic - home office is in Ohio.</li> <li>2. Foreign - home office is in another state</li> <li>3. Alien - home office is in another country</li> </ol>
<p>What are the two types of For-Profit Insurers in Terms of Licensing and the State of Ohio?</p>	<ol style="list-style-type: none"> <li>1. Authorized (Admitted) - a licensed company.</li> <li>2. Unauthorized ( non-Admitted) - an unlicensed surplus lines company.</li> </ol>
<p>What are the five types of For-Profit Insurers?</p>	<ol style="list-style-type: none"> <li>1. Stock</li> <li>2. Mutual</li> <li>3. Reciprocal</li> <li>4. Fraternal</li> <li>5. Reinsurer</li> </ol>
<p>What are the four techniques of Risk Management?</p>	<ol style="list-style-type: none"> <li>1. Control</li> <li>2. Avoid</li> <li>3. Retain</li> <li>4. Transfer</li> </ol>

<p>What are the three types of Hazards?</p>	<ol style="list-style-type: none"> <li>1. Physical - something tangible</li> <li>2. Morale - a person's attitude</li> <li>3. Moral - fraud</li> </ol>
<p>What are the two types of Risk?</p>	<ol style="list-style-type: none"> <li>1. Speculative - gain or loss</li> <li>2. Pure - loss only</li> </ol>
<p>What are the four requirements of any legal contract?</p>	<ol style="list-style-type: none"> <li>1. Agreement, as demonstrated by offer and acceptance of said offer.</li> <li>2. Exchange of consideration, or value.</li> <li>3. Legal purpose</li> <li>4. Legally competent parties</li> </ol>
<p>What are the two aspects of the Law of Agency?</p>	<ol style="list-style-type: none"> <li>1. A principal and an insurance company appoints an ...</li> <li>2. Agent to represent the principal to the insuring public</li> </ol>
<p>What are the five general responsibilities and agent owes to the principal insurance company?</p>	<ol style="list-style-type: none"> <li>1. The duty of loyalty.</li> <li>2. The duty to obey the company.</li> <li>3. The duty to act with the degree of care</li> <li>4. The duty to account for all property or money belonging to the company</li> <li>5. The duty to disclose all pertinent underwriting facts</li> </ol>

<p>What are the three sources of agent authority?</p>	<ol style="list-style-type: none"> <li>1. Express</li> <li>2. Implied</li> <li>3. Apparent</li> </ol>
<p>Name the six characteristics of an insurable risk?</p>	<ol style="list-style-type: none"> <li>1. Large number of homogenous units</li> <li>2. Loss must be ascertainable or measurable</li> <li>3. Cost must be uncertain</li> <li>4. Economic hardship</li> <li>5. Exclusion of catastrophic perils</li> <li>6. Elimination or at least control of adverse selection</li> </ol>
<p>What are the two types of binders?</p>	<ol style="list-style-type: none"> <li>1. Oral</li> <li>2. Written</li> </ol>
<p>What are the two types of companies that sell insurance through agents?</p>	<ol style="list-style-type: none"> <li>1. Captive - the appointed agent represents only that one company</li> <li>2. Independent - the appointed agent is free to represent more than one appointed company.</li> </ol>
<p>Name the two types of Insurance Company Marketing Systems?</p>	<ol style="list-style-type: none"> <li>1. Mass marketing</li> <li>2. Agents</li> </ol>

<p>What are the two types of liability policy limits?</p>	<ol style="list-style-type: none"><li>1. Combined Single</li><li>2. Split</li></ol>
<p>What are the types of "Other Insurance" Clauses?</p>	<ol style="list-style-type: none"><li>1. Pro-Rata Liability.</li><li>2. Primary/Excess.</li></ol>
<p>What are the four definitions of territory?</p>	<ol style="list-style-type: none"><li>1. United States</li><li>2. U.S. Possessions</li><li>3. Puerto Rico</li><li>4. Canada</li></ol>
<p>What are the two types of premium?</p>	<ol style="list-style-type: none"><li>1. Earned premium.</li><li>2. Unearned premium; refunded to the insured if a policy cancels before the expiration date.</li></ol>
<p>What are the two ways to calculate return premium if a policy is cancelled before the expiration date?</p>	<ol style="list-style-type: none"><li>1. Pro-Rata.</li><li>2. Short-rate.</li></ol>

<p>What are the three types of "Insured"?</p>	<ol style="list-style-type: none"><li>1. Named insured</li><li>2. First named insured</li><li>3. Additional insured</li></ol>
<p>What are the six parts of every Property and Casualty Policy?</p>	<ol style="list-style-type: none"><li>1. Declarations Page</li><li>2. Definitions</li><li>3. Insuring clause</li><li>4. Conditions</li><li>5. Exclusions</li><li>6. Additional coverages</li></ol>
<p>How to calculate Actual Cash Value</p>	<p>Replacement Cost - Depreciation = ACV</p>
<p>What are the three ways to indemnify property loss?</p>	<ol style="list-style-type: none"><li>1. Actual Cash Value</li><li>2. Replacement Cost</li><li>3. Functional Replacement Cost</li></ol>
<p>What are 2 Types of Property Policy Limits?</p>	<ol style="list-style-type: none"><li>1. Specific - one limit applies to one thing.</li><li>2. Blanket - one limit applies to more than one thing.</li></ol>

<p>What are the 2 Types of Loss?</p>	<ol style="list-style-type: none"> <li>1. Direct Loss - damage of property</li> <li>2. Indirect Loss - consequential loss resulting from the direct loss. An example is the hotel expense if you cannot reside in your home while it is being repaired after a fire.</li> </ol>
<p>What are the 2 Types of Direct Loss?</p>	<ol style="list-style-type: none"> <li>1. Accidental - quick, sudden</li> <li>2. Occurrence - loss that occurs slowly over time.</li> </ol>
<p>What are the 2 Ways to Identify Perils Covered in any Property Policy?</p>	<ol style="list-style-type: none"> <li>1. Named peril (specific peril)</li> <li>2. Open peril (all risk)</li> </ol>
<p>What are the 2 Modifications of Normal Negligence Theory?</p>	<ol style="list-style-type: none"> <li>1. Absolute (Strict) Liability - imposed on someone automatically.</li> <li>2. Vicarious Liability - being held liable for the civil torts committed by others, such as a parent being liable for the actions of minor children.</li> </ol>
<p>What are 2 Types of Compensatory Damages?</p>	<ol style="list-style-type: none"> <li>1. General</li> <li>2. Special</li> </ol>

<p>What are the 2 Basic Types of Damage Awards?</p>	<ol style="list-style-type: none"> <li>1. Compensatory - payable by an insurer.</li> <li>2. Punitive - never paid by an insurer.</li> </ol>
<p>What are 5 Defenses for Negligence?</p>	<ol style="list-style-type: none"> <li>1. Assumption of risk.</li> <li>2. Intervening cause</li> <li>3. Contributory negligence</li> <li>4. Comparative negligence</li> <li>5. Statute of limitations</li> </ol>
<p>What are the 4 Requirements of Negligence?</p>	<ol style="list-style-type: none"> <li>1. A duty to provide a certain reasonable standard of care</li> <li>2. Breach of that responsibility</li> <li>3. The breach of the duty to provide reasonable care is the proximate cause</li> <li>4. Injury; either bodily injury or property damage</li> </ol>
<p>What are the 6 Ways of Determining Rates?</p>	<ol style="list-style-type: none"> <li>1. Manual rating</li> <li>2. Experience rating</li> <li>3. Merit rating</li> <li>4. Retrospective rating</li> <li>5. Judgment rating</li> <li>6. Loss cost rating</li> </ol>
<p>What are the 2 Types of Torts?</p>	<ol style="list-style-type: none"> <li>1. Intentional - NEVER insured</li> <li>2. Accidental or unintentional; properly called negligence - these torts are insurable under liability policies</li> </ol>

<p>What are the 3 Types of Underwriting Ratios?</p>	<ol style="list-style-type: none"> <li>1. Loss Ratio</li> <li>2. Expense Ratio</li> <li>3. Combined Ratio</li> </ol>
<p>What are 2 Functions of Underwriting?</p>	<ol style="list-style-type: none"> <li>1. Risk evaluation</li> <li>2. Risk pricing</li> </ol>
<p>What are 3 Versions of the Fire Dwelling Policy?</p>	<ol style="list-style-type: none"> <li>1. DP1 ( Basic)</li> <li>2. DP2 (Broad)</li> <li>3. DP3 (Special)</li> </ol>
<p>What are 8 General Property Policy Peril Exclusions?</p>	<ol style="list-style-type: none"> <li>1. Ordinance and law</li> <li>2. Earth movement</li> <li>3. Flood, including sewer backup</li> <li>4. Off-premises power failure</li> <li>5. War</li> <li>6. Nuclear</li> <li>7. Neglect</li> <li>8. Intentional</li> </ol>
<p>What is the Acronym to Remember the 11 Basic Form Named Perils?</p>	<p>Rev. F.L. Shaw--Riot--Explosion  Vehicle--Vandalism--Volcano</p> <p>Fire--Lightning  Smoke--Hail--Aircraft--Wind</p>



<p>What is the Acronym to Remember the 15 Broad Form Named Perils?</p>	<p>Rev. F.L. Shaw has joined the W.W.F.  Riot--Explosion/Vehicle, Vandalism,  Volcano  Fire--Lightning--Smoke--  Hail--Aircraft--Wind--Weight of Ice--  Water--Plumbing Source  Falling Objects--Freezing of Pipes</p>
<p>State how DP1, DP2, DP3 Indemnifies Loss</p>	<p>DP1 - ACV both dwelling and contents  DP2 - Dwelling - Replacement Cost* -  Contents - ACV  DP3 - Dwelling - Replacement Cost*  Contents - ACV  * If co-insurance of 80% is not met</p>
<p>What Four Additional Coverages Found in DP2 and DP3 Only, Not DP1?</p>	<ol style="list-style-type: none"> <li>1. Collapse</li> <li>2. Glass Breakage</li> <li>3. Ordinance and Law</li> <li>4. Trees, Shrubs, Plants</li> </ol>
<p>What Four Additional Coverages Are Found in all Dwelling Policies, DP1, DP2, and DP3?</p>	<ol style="list-style-type: none"> <li>1. Debris Removal</li> <li>2. Fire Department Service Charge</li> <li>3. Reasonable Repairs</li> <li>4. Removal to Protect</li> </ol>
<p>What are the Two Automatic Coverage of Section II of an HO Policy?</p>	<ol style="list-style-type: none"> <li>1. Coverage E- Personal Liability</li> <li>2. Coverage F- Medical Payments to Others</li> </ol>

<p>What are Four Automatic Coverage of Section I of an HO Policy?</p>	<ol style="list-style-type: none"> <li>1. Coverage A - Dwelling</li> <li>2. Coverage B - Other Structures</li> <li>3. Coverage C - Personal Property</li> <li>4. Coverage D - Additional Living Expenses</li> </ol>
<p>What are the Six different Versions of the HO Policy?</p>	<ol style="list-style-type: none"> <li>1. HO 2 (Broad)</li> <li>2. HO 3 (Special)</li> <li>3. HO 4 (Renters)</li> <li>4. HO 5 (Comprehensive)</li> <li>5. HO 6 (Condominium)</li> <li>6. HO 8 (Modified)</li> </ol>
<p>What are the Automatic Percentages of Coverage A Dwelling Assigned to Coverage B, C, and D?</p>	<p>Coverage B - Other Structures - 10% of Coverage A</p> <p>Coverage C - Personal Property - 50% of Coverage A</p> <p>Coverage D - Additional Living Expenses - 30% of Coverage A</p>
<p>What are the Three Types of Property that have Maximum Limits for the Peril of Theft in an HO Policy?</p>	<ol style="list-style-type: none"> <li>1. Jewelry - Limit of \$1,500 Peril of Theft only</li> <li>2. Firearms - Limit of \$2,500 Peril of Theft only</li> <li>3. Silverware - Limit of \$2,500 Peril of Theft only</li> </ol>
<p>What are Four Automatic Coverages of Section II of an HO Policy</p>	<ol style="list-style-type: none"> <li>1. Claim Expense</li> <li>2. First Aid Expense</li> <li>3. Damage to Property of Others</li> <li>4. Loss Assessments</li> </ol>

<p>What Eight Covered Perils Damaging Trees, Plants, Shrubs are Covered in an HO Policy?</p>	<p>1. Fire /2. Aircraft /3. Theft /4. Riot /5. Explosion / 6. Vehicle 7. Vandalism / 8. Lightning Note: Wind damage to trees is not covered</p>
<p>What four HO Policies are Named Peril Only?</p>	<p>HO 2 (REV FL SHAW + WWF) HO 4 (REV FL SHAW + WWF) HO 6 (REV FL SHAW + WWF) HO 8 (REV FL SHAW)</p>
<p>What Two HO Policies Provide Open Peril Coverage?</p>	<p>1. HO 3 - All -risk (open peril) for the structures. Named perils for the contents 2. HO 5 - All-risk (open peril) for both structures and contents.</p>
<p>Name Three Watercraft Exposures of Loss Covered for Liability in an HO Policy.</p>	<p>1. Sailing craft under 26' in length. 2. Outboard motors below 25HP 3. Inboard motors below 50 HP.</p>
<p>Name Four of the Eight General Peril Exclusions that can be Covered by Endorsement</p>	<p>1. Ordinance and law 2. Earth movement 3. Sewer backup 4. Off premises power failure</p>

<p>What are three Optional Coverages of the Personal Auto Policy(PAP)</p>	<ol style="list-style-type: none"> <li>1. Medical payment</li> <li>2. Uninsured/underinsured motorist</li> <li>3. Physical damage to your auto (comprehensive, collision)</li> </ol>
<p>What are Ohio's Minimum Split and Combined Single Limits of Auto Liability Insurance?</p>	<p>Split - \$12,500/\$25,000 Bodily Injury, \$7,500 Property Damage  Combined Single - \$32,500 Liability</p>
<p>What are Three Supplementary Payments (Additional Coverage) of Part A Auto Liability?</p>	<ol style="list-style-type: none"> <li>1. Bail Bonds</li> <li>2. Appeal Bonds and Interest</li> <li>3. Loss of Earnings</li> </ol>
<p>What are the Four Definitions of an "Uninsured Motor Vehicle"?</p>	<ol style="list-style-type: none"> <li>1. The other driver is at fault, and he has no insurance</li> <li>2. The other driver is at fault;he has insurance, but his limits of liability are below Ohio's minimum.</li> <li>3. The other driver is at fault; he has ins, but his company denies the claim</li> <li>4. Hit and run</li> </ol>
<p>Name two coverages of Part D, Physical Damage, of a Personal Auto Policy</p>	<ol style="list-style-type: none"> <li>1. Comprehensive (also known as "other than collision")</li> <li>2. Collision</li> </ol>

<p>What are special limits in the Home Owners Policy?</p>	<p>Limits in the Homeowners policy that do not increase the coverage limit of liability. They indicate the total limit payable for each loss of all property in that category.</p>
<p>What is Personal Injury Coverage?</p>	<p>Liability coverage for third-party claims for damages that are other than physical, such as libel, slander, false arrest, wrongful eviction, invasion of privacy, etc.</p>
<p>What is Pair and Set mean in a Homeowners Policy?</p>	<p>The company may elect to repair, replace or restore the damaged items or pay the difference between actual cash value of the property before and after the loss.</p>
<p>What is a Homeowners Policy?</p>	<p>A personal lines package policy that combines the typical coverage needed by a homeowner in one contract. It covers property loss (incl loss caused by theft) and liability loss arising from personal activities.</p>
<p>What is additional Living expenses?</p>	<p>Coverage designed to reimburse the insured for an increase in living expenses necessitated by loss to the dwelling. this indirect loss must be the result of direct loss by a covered peril.</p>

<p>What is Bailee's Customers Policy?</p>	<p>An inland Marine policy that protects the insured for damaging customer's property, whether or not the insured is liable. The policy is usually written on an "all-risk" or "open" peril basis.</p>
<p>Auto Insurance</p>	<p>An insurance contract designed to indemnify exposures of loss arising from the ownership, maintenance, or use of an automobile.</p>
<p>What is Mysterious Disappearance?</p>	<p>Vanishing of property with no known explanation.</p>
<p>What is Employers Non-Ownership Liability?</p>	<p>Provides coverage to an employer for liability arising out of an employee's use of his own auto in the employer's business. May be included under a Bus Auto policy or added to a Commercial General Liability.</p>
<p>What is Non-owned?</p>	<p>An auto driven by the insured that he or she does not own.</p>

<p>Give The One Definition of an "Underinsured Motor Vehicle"</p>	<p>The other driver is at fault, he has insurance and his Part A Liability limit is less than your Part C uninsured limit and ultimately, you sustain injury compensable to you more than his limit of liability.</p>
<p>What are the three types of Businesses Eligible to buy Garage Insurance?</p>	<ol style="list-style-type: none"> <li>1. Garage mechanics.</li> <li>2. Private parking lot owners.</li> <li>3. Auto dealerships.</li> </ol>
<p>Name 10 Groupings of Perils covered by Comprehensive.</p>	<ol style="list-style-type: none"> <li>1. Fire</li> <li>2. Missiles or falling objects.</li> <li>3. Theft</li> <li>4. Explosion or earthquake</li> <li>5. Windstorm.</li> <li>6. Hail, water, flood</li> <li>7. Malicious mischief or vandalism.</li> <li>8. Contact with a bird or animal.</li> <li>9. Breakage of glass.</li> <li>10. Riot or civil commotion.</li> </ol>
<p>Name Seven Commercial Lines Policies Eligible for "Packaging" within the CPP (Commercial Package Policy)</p>	<ol style="list-style-type: none"> <li>1. Commercial Property.</li> <li>2. Commercial General Liability</li> <li>3. Business Auto</li> <li>4. Inland Marine.</li> <li>5. Crime.</li> <li>6. Boiler and Machinery.</li> <li>7. Farm.</li> </ol>
<p>What are six common policy conditions of the CPP</p>	<ol style="list-style-type: none"> <li>1. Cancellation.</li> <li>2. Policy changes.</li> <li>3. Audit by insurer.</li> <li>4. Inspection by insurer.</li> <li>5. Premium.</li> <li>6. Transfer of rights.</li> </ol>

<p>Name four essential components of the CPP (Commercial Package Policy)</p>	<p>1. Common policy declaration page. 2. Common policy conditions page. 3. The commercial property coverage part. 4. The commercial general liability coverage part.</p>
<p>Name two versions of the CGL</p>	<p>1. Occurrence version. 2. Claims made version.</p>
<p>What are seven types of accidents covered by Coverage A, BI &amp; PD, under a CGL?</p>	<p>1. Premises. 2. Operations. 3. Completed Operations. 4. Product Liability. 5. Contractual Liability. 6. Independent Contractors (Owners and Contractors Protective). 7. Fire legal liability.</p>
<p>Name three coverages under a CGL Policy</p>	<p>1. Coverage A, BI &amp; PD (Bodily Injury &amp; Property Damage). 2. Coverage B, PI &amp; A (Personal Injury &amp; Advertising Injury). 3. Coverage C, Medical Payments to Others.</p>
<p>Name Five Types of Liability Assumed Under Contract Covered by the CGL.</p>	<p>The Acronym LEASE helps you remember: Lease Agreements Easements Agreements to indemnify a municipality Sidetrack agreement</p>



<p>Name two types of "Tails" in the CGL</p>	<ol style="list-style-type: none"> <li>1. Basic Tail - automatic, no charge, 60 days.</li> <li>2. Supplemental Tail - must be purchased, charge can be up to 200% of the expiring premium.</li> </ol>
<p>Name two terms unique to the claims made version of the CGL</p>	<ol style="list-style-type: none"> <li>1. Retro-Active Date.</li> <li>2. Extended Reporting Period ("Tail")</li> </ol>
<p>What are three causes of loss forms of the Commercial Property Policy.</p>	<ol style="list-style-type: none"> <li>1. Basic Cause of Loss Form.</li> <li>2. Broad Cause of Loss Form.</li> <li>3. Special Cause of Loss Form.</li> </ol>
<p>Name four components of a Commercial Property Policy.</p>	<ol style="list-style-type: none"> <li>1. Declarations Page.</li> <li>2. Property Conditions Form.</li> <li>3. One or More Coverage Forms.</li> <li>4. One or More Cause of Loss Forms.</li> </ol>
<p>Name three optional Property Coverages under a Commercial Property Policy.</p>	<ol style="list-style-type: none"> <li>1. Coverage A - Building.</li> <li>2. Coverage B - Business Personal Property.</li> <li>3. Coverage C - Personal Property of Others.</li> </ol>

<p>Name Four additional coverages within a Commercial Property Policy.</p>	<ol style="list-style-type: none"> <li>1. Debris Removal.</li> <li>2. Fire Department Service Charge.</li> <li>3. Removal of Business Personal Property.</li> <li>4. The cost of Extracting Pollutants.</li> </ol>
<p>Name five extensions of coverage within a Commercial Property Policy.</p>	<ol style="list-style-type: none"> <li>1. Newly Acquired Property.</li> <li>2. Personal Property of Others.</li> <li>3. Valuable Papers.</li> <li>4. Personal Property Temporarily Off-Premises.</li> <li>5. Outdoor Property.</li> </ol>
<p>Name Three Primary Indirect Loss Coverages Available under a Commercial Property Policy.</p>	<ol style="list-style-type: none"> <li>1. Business Income (Business Interruption).</li> <li>2. Contingent Business Interruption (Business Income from Dependent Properties).</li> <li>3. Extra Expense</li> </ol>
<p>Name Five Namd Perils of Crime Insurance.</p>	<ol style="list-style-type: none"> <li>1. Burglary</li> <li>2. Robbery</li> <li>3. Extortion.</li> <li>4. Safe Burglary.</li> <li>5. Theft</li> </ol>
<p>Name Five Crme Policies that Cover Loss of Money.</p>	<ol style="list-style-type: none"> <li>1. Employee Dishonesty.</li> <li>2. Forgery or Alteration</li> <li>3. Money and Securities - Inside/Outside.</li> <li>4. Computer and Funds Transfer Fraud.</li> <li>5. Extortion.</li> </ol>

<p>Actual Cash Value (ACV)</p>	<p>The cost to replace damaged property at today's value minus a deduction for depreciation due to wear and tear or obsolescence (ACV=RC-D)</p>
<p>Additional Insured</p>	<p>A person, firm or corporation other than the named insured on a policy, or a lender named in a mortgage clause, who is protected against loss by the terms of the policy.</p>
<p>Aggregate Limit</p>	<p>A type of policy limit found in liability policies that limits coverage to a specified total amount for all losses occurring within the policy period.</p>
<p>Assignment</p>	<p>The transfer of a legal right of interest in an insurance contract to another person.</p>
<p>Blanket Form</p>	<p>Covers, by a single amount or insurance protection, the same kind of property in different types of property at a single location</p>

Bodily Injury	Usually defined to include bodily harm, sickness, or disease, also including required care, loss of services, and resulting death.
Broker	An individual who represents an insured (client)
Cancellation	Termination of contract of insurance in force by voluntary act of the insurance company or insured, effected in accordance with provisions in the contract or by mutual agreement.
Comparative Negligence	Doctrine that states a defendant is liable only for the amount of damages allocated to that defendant in direct proportion to the defendant's percentage of fault.
Conditions	The portion of an insurance contract that sets forth the right and duties of the insured and the insurance company.

Contingent Liability	Liability that an insured person or business incurs because of the actions of others (family or employees). Also called Vicarious Liability.
Contract	A legal agreement between two parties promising a certain performance in exchange for a certain consideration.
Deductible	The portion of a loss considered the responsibility of the insured.
Depreciation	Decrease in the value of property over a period of time due to use, wear and tear, and obsolescence.
Direct Loss	Actual physical damage to, or destruction of, tangible property. For example, if a house burns, the cost to repair the house is a direct loss of the fire.

Duties Following a Loss	Condition found in property-casualty policies that explains the insured's responsibilities after a loss occurs.
Duty	The obligation to exercise reasonable care. Duty is an element of negligence.
Earned Premium	The portion of the premium for which policy protection has already been given during the non-expired portion of the policy term.
Economic Loss	The decrease or disappearance of economic value.
Effective Date	The date on which an insurance policy or bond goes into effect and from which protection is furnished.

<p>Endorsements</p>	<p>Written agreement attached to a policy to add or subtract insurance coverage. Once attached, the endorsement takes precedence over the original provisions of the policy.</p>
<p>Excess or Excess Coverage</p>	<p>Insurance protection that only applies after another policy's protection has been exhausted. An Umbrella policy is an example of excess liability coverage.</p>
<p>Exclusions</p>	<p>Causes, conditions, or property listed in the policy that are not covered and for which not benefits are payable.</p>
<p>Experience</p>	<p>A term used in insurance rate or premium calculations. It refers to the applicant's recent past loss history and it becomes a factor in determining the present premium.</p>
<p>Indirect Loss</p>	<p>Loss that is a result or consequence of a direct loss. Also known as a consequential loss.</p>

Inherent Vice	A condition or defect that exists within a property itself. An example of inherent vice is the tendency of milk to sour. Insurance policies usually exclude inherent vice.
Liability	Broadly, any legally enforceable obligation. The term is most commonly used in a pecuniary (money-related) sense.
Liability Risk	Involves the liability loss exposure where negligent acts may occur for which an individual or organization may be held responsible.
Limits of Liability	The maximum amount of money the insurance company will pay for a particular loss, or for loss during a period of time.
Loss Ratio	The percentage of losses paid out compared to premiums received for the same period of time.



<p>Medical Payments</p>	<p>Pays for reasonable medical expenses incurred by a person covered for bodily injury caused by an accident involving any motor vehicle designed for highway use.</p>
<p>Mortgagee Rights</p>	<p>Rights granted to a mortgagee (lender), under a property contract issued to a mortgagor (buyer), by virtue of the mortgagee's financial interest in the property.</p>
<p>Named Insured</p>	<p>Any person, firm or corporation, or any member thereof, specifically designed by name as owner of a policy, as distinguished from the others who, though unnamed, are protected under the policy.</p>
<p>Named Peril Policies</p>	<p>Policies that insure against only the perils named, contrary to All-risk policies. Sometimes called Specified Peril policies.</p>
<p>Negligence</p>	<p>Failure to use a degree of care that an ordinary person of reasonable prudence would use under the same given circumstances. Negligence may be constituted by acts of either omission, commission, or both.</p>

<p>Occurrence</p>	<p>A continuous or repeated exposure to conditions, neither expected nor intended, which results in injury or loss</p>
<p>Occurrence Limit</p>	<p>Maximum amount payable for any one occurrence.</p>
<p>Peril</p>	<p>The happenings or events which cause a loss.</p>
<p>Policy Period</p>	<p>The date and time specified in the declarations for when coverage begins and ends.</p>
<p>Property Damage</p>	<p>The type of loss covered under many liability contracts. Includes liability for damage to property of others or loss of use of tangible, physical property.</p>

pro rata	Important limitation on the payment made by the insured for a loss.
pro rata Cancellation	The termination of a contract with premium chage being adjusted in proportion to the exact time the protection has been in force. All unearned premium is returned to the insured.
pro rata Liability Clause	Clause in a Fire policy that provides a method of sharing loss when more than one policy is applicable. Each company covers no more than its share. Also known as the Other Insurance clause.The
Rate	The per-unit cost of insurance.
Renewal	The continuation in full force and effect of a policy that is about to expire.

<p>Replacement Cost (R/C)</p>	<p>The cost of replacing property without deduction for depreciation.</p>
<p>Salvage</p>	<p>Property taken over by an insurance company to reduce its loss. The company may dispose of, or salvage, property as it wishes, but on request and property as it wishes, but on request and property reimbursement, may return it to the insured.</p>
<p>Schedule Forms</p>	<p>Examples of specific coverage that are often used by large risks.</p>
<p>Single Limits</p>	<p>Various types of liability policies may be written on a single limit basis. This means that one single limit of protection (e.g.) \$100,000) will be provided under the contract.</p>
<p>Specific Form</p>	<p>A form that provides coverage, primarily for one kind of property, in one definite location.</p>

<p>Common Carriers</p>	<p>Engaged in the business of transporting persons or property from site to site for comensation or a fee.</p>
<p>Contingent Business Income</p>	<p>A Time-Element coverage that protects the insured against indirect loss that results because of a direct loss to a supplier, buyer, or leader location (e.g. a large anchor store in a strip mall).</p>
<p>Contractual</p>	<p>Coverage provided for liability assumed through a written contract or agreement.</p>
<p>Coverage Parts</p>	<p>The name given to different types of Commercial insurance when they are combined in the CPP, or the Commercial Package policy.</p>
<p>Custodian</p>	<p>In Crime insurance, a custodian is the insured, or a regular employee or partner of the insured who has care or control of property within the premises. Does not include watchman, porter, or janitor.</p>

<p>Embezzlement</p>	<p>A fraudulent act that involves unlawfully taking property or money from another by someone who has been entrusted with the property.</p>
<p>Expediting Expenses</p>	<p>A Boiler and Machinery coverage that covers the cost of temporary repairs and the costs of speeding up permanent repairs. Examples: overtime and express transportation charges.</p>
<p>Extended Reporting Period (ERP)</p>	<p>A provision of a Claims-Made liability policy that extends a time frame beyond the expiration date of the policy. During that time frame, the policy will cover claims reported. Also known as "Tail" coverage.</p>
<p>Extra Expense Insurance</p>	<p>A Time-Element coverage of additional expenses incurred by the insured business to continue operations following a direct loss by a covered peril.</p>
<p>Federal Crime Insurance</p>	<p>A federally administered program that makes Crime insurance available and affordable to risks that might otherwise have found coverage difficult to obtain.</p>

Perils of the Sea	Causes of loss which occur on board a ship during ocean travel (e.g. fire)
Personal Yacht Insurance	A form of Ocean Marine insurance available to individuals who own large boats. Provides both Hull and Protection and Indemnity insurance.
Principal	In bonds, the party who promises to do (or NOT to do) a specific thing.
Professional Liability	Liability arising out of the rendering, or failure to render, services of a professional nature.
Protection and Indemnity	In Ocean Marine insurance, a form of Liability insurance.

<p>Retention Limit</p>	<p>In an Umbrella Liability policy, the amount the insured must pay for a loss NOT covered by an underlying policy before the Umbrella will begin to cover losses.</p>
<p>Sue and Labor</p>	<p>In the event of a loss, the insured is permitted and obligated to take action to prevent limit, or reduce the loss.</p>
<p>Surety</p>	<p>The party (often the insurance company) that agrees to be responsible for loss, which may result if the principal does not keep his promise.</p>
<p>Surety Bonds</p>	<p>Guarantees the performance of a duty. It obligates the surety to hold itself responsible for the performance of a duty by the principal. Includes contract, judicial, public office, license, and perit bonds.</p>
<p>Audit</p>	<p>A survey of the financial records of the insured conducted to determine exposures, limits, etc., which are needed to calculate the premium. The initial premium is only a deposit.</p>



<p>What is JUA? Joint Underwriting Association</p>	<p>An association of insurance companies formed to provide a particular type of insurance to the public.</p>
<p>What is Malpractice Insurance?</p>	<p>A form of Professional Liability insurance used to insure professionals including physicians, dentist, and druggists against their liability for professional misconduct or lack of ordinary skill.</p>
<p>What is Marine Insurance?</p>	<p>A form of insurance primarily designed to cover property in transport over land or sea.</p>
<p>What is Medical Malpractice?</p>	<p>All policies issued apply to death, disease, or injury which result from the acts or omissions of the covered physician(s).</p>
<p>What is Name Schedule Bond</p>	<p>Fidelity Bond that covers each employee named in the policy schedule for the amount listed in the schedule.</p>

<p>What does Obligee mean?</p>	<p>In bonds, the party to whom the principal makes the promise, and for whose protection the bond is being written.</p>
<p>What is Ocean Marine Insurance?</p>	<p>Marine insurance designed to provide broad coverage for cargo and ships in transit over sea. Includes Cargo insurance, Hull insurance, and Liability coverage (Protection and Indemnity).</p>
<p>What is Particular Average mean?</p>	<p>Covers loss to a particular piece of property in shipment. It does not require contributions from other parties.</p>
<p>What does Performance Bond mean?</p>	<p>A surety Bond that guarantees a job will be completed by the contractor according to contract specifications.</p>
<p>What does the Perils of the Sea mean?</p>	<p>Causes of loss a ship is exposed to during ocean travel, including windstorms, waves, collisions, sinking, stranding, running aground, and more.</p>

<p>Twisting</p>	<p>A prohibited act of misrepresenting the terms of a contract to induce (illegal inducement) a person to laps, forfeit, or surrender the policy issued to him, or to alter or convert it for any other policy or contract.</p>
<p>Pre-licensing Education</p>	<p>Formal education an insurance licensing candidate must complete before being allowed to take that articular state's license exam.</p>
<p>Garagekeepers</p>	<p>A type of Bailee coverage (protecting the business for damage to the property of their customers) available to automobile repair shops, service stations, and parking lots or storage garages.</p>
<p>Private Passenger Autos</p>	<p>Ordinary cars, pickups, vans with four wheels and under 10,000 GVW, and utility trailers designed to be pulled by a private passenger auto.</p>
<p>Personal Auto Policy</p>	<p>Easy-to-read Auto policy that provides broad coverage for both owned and non-owned autos that are used, maintained, and/or operated by the insured and family.</p>

<p style="text-align: center;">Underinsured</p>	<p style="text-align: center;">This coverage pays an insured who suffers bodily injury when struck by an at-fault driver who has some but not enough liability coverage to pay damages.</p>
<p style="text-align: center;">Underinsured Motorist Coverage (UM)</p>	<p style="text-align: center;">Automobile coverage designed to provide bodily injury protection for the insured should she be involved in an accident in which the driver at fault has no insurance to cover the loss.</p>
<p style="text-align: center;">Collision Coverage</p>	<p style="text-align: center;">In Auto insurance, a type of Physical Damage coverage that covers loss that occurs when the insured auto strikes another object or vehicle. May also include upset or overturn of the insured auto.</p>
<p style="text-align: center;">The "Co-Insurance" Drill</p>	<p style="text-align: center;">1. The reason...encourage insuring to value.  2. The danger... not compliant with the cause. 3. Not compliant ... underinsured. 4. The penalty if not compliant ... partial loss replacement cost not paid in full. 5. The formula to determine payment if not compliant...<math>\text{Did/Should} \times \text{Loss}</math>. 6. Minus the deductible.</p>
<p style="text-align: center;">Rental Value</p>	<p style="text-align: center;">Indirect property coverage available under the Dwelling and Homeowners policies, also available with certain commercial contracts, that reimburses the insured for rents lost when rented property is damaged by a covered peril.</p>

<p>Rebating</p>	<p>Giving or offering a benefit, other than those specified in the policy, to induce a customer to buy insurance.</p>
<p>Insurance director</p>	<p>Common title for head of the state department of insurance (also has been called "Superintendent" or "Commissioner" in some states).</p>
<p>Director</p>	<p>Shall be the chief officer of the Department of Insurance and shall have all the powers and perform all the duties vested in, and imposed upon, the Department of Insurance.</p>
<p>Defamation</p>	<p>One of the tenets of the Unfair Trade Practices law. Defamation is any false or misleading statement (oral or written) that is malicious, derogatory, and meant to injure an individual in the business of insurance.</p>
<p>Fair Credit Reporting Act</p>	<p>Federal laws that allow consumers who are denied insurance because of information contained in a credit report to be notified and allowed to obtain the information used in the report from the reporting agency.</p>

Discrimination	Making or permitting any unfair discrimination between individuals of the same class with regard to insurance, the rates charged for any contract, or in any other terms or conditions of the contract is prohibited.
Casualty Insurance	A type of insurance that is primarily concerned with losses caused by injury to persons and legal liability imposed upon the insured for such injury or damage to property of others.
Licensing	The action of procuring the state's Certificate of Authority and thereby becoming an Admitted or Authorized insurer in that state.
Unfair Practices	A "catch-all" phrase referring to specific acts of competition amongst insurance companies deemed unfair or deceptive in the business of insurance.
Unfair Claim Practices	Part of virtually every state's insurance code. These are practices of loss adjustment expressly prohibited on the part of adjustors and insurance companies.

Acceptance	A retirement needed to have a binding contract, acceptance is agreeing to the offer to enter into a contractual arrangement with another party.
Alien Company	An insurance company incorporated in a country other than the United States.
Binder	A temporary policy.
Concealment	The withholding of a material fact from the insurance company.
Dividend	The return of part of the premium paid for a participating policy.

Domestic	An insurance company organized under the laws of the state where its home office is located.
Fiduciary	A person who occupies a position of special trust and confidence. For example, one handling or supervising the affairs or funds or another.
Foreign	This is a company incorporated or organized under the laws of a state other than the state in which they are authorized to do business.
Fraud	A false statement intended to deceive the insurer and induce it to part with something of value or to surrender a legal right. May void a policy.
Insurable Interest	A condition where an individual or entity may suffer economic loss if property is damaged or destroyed.



Insurer	The insurance company assuming risk and agreeing to pay claims or provide services.
Misrepresentation	The use of written or oral statements of the insured or insurance company falsifying the risk, terms, coverage, benefits, and privileges of any policy.
Moral Hazard	A hazard that is created by a dishonest individual who is willing to create a loss situation on purpose just to collect from the insurance company.
Morale Hazard	A hazard created by an individual's tendency to contribute to a loss through his or her own irresponsible actions or carelessness.
Mutual	A company owned by its policyowners with the policyowners sharing in the company's profits in the form of dividends.

<p>Nonresident Agent</p>	<p>An agent licensed in a state in which he or she is not a resident.</p>
<p>Offer</p>	<p>Must be made by one party and communicated to the other party.</p>
<p>Physical Hazard</p>	<p>The material, structural, or operational features of the risk itself - something you can see or touch that increases the chance tha a loss may occur.</p>
<p>Policy</p>	<p>The written contract or certificate effecting insurance, including papers attached to and made a part of it.</p>
<p>Premium</p>	<ol style="list-style-type: none"><li>1. Consideration for the insurance.</li><li>2. Periodic payment made to keep a policy in force.</li></ol>

<p>Producer</p>	<p>General term used to describe someone who sells insurance, such as an agent, broker, or solicitor.</p>
<p>Pure Risk</p>	<p>A risk in which there is not chance of gain, only loss.</p>
<p>Reinsurance</p>	<p>The transfer of insurance from one insurance company to another insurance company.</p>
<p>Representations</p>	<p>Oral or written statements by an individual seeking to enter into a contract.</p>
<p>Risk</p>	<p>The uncertainty of financial loss.</p>

Solicitor	A representative who helps an agent or broker solicit insurance and collect premiums. A solicitor may neither bind nor countersign policies.
Speculative Risk	A risk that may result in a loss or gain. Gambling is a speculative risk. Insurance companies insure pure risk, NOT speculative risk.
Stock Insurance Company	An incorporated insurance company with capital divided into shares and owned by the shareholders. Profits are shared by the stockholders. Policyowners are NOT entitled to share in company profits.
Unauthorized	A company that has NOT received a Certificate of Authority from a State Department of Insurance.
Warranties	Statements that are absolute, literal facts, made by the applicant regarding the nature of the risk to be insured.

Specified Perils (Named Peril Policy)	Insurance policy that insures only against perils specifically listed in the policy.
Theft	Any act of stealing. Theft includes larceny, burglary, and robbery.
Torts	A legal wrong one person does to another. Tort law is the basis of all civil law. Negligence is an unintentional tort and is covered by liability policies
Underwriting	The process of evaluating a risk for the purpose of issuing insurance coverage on it.
Unoccupancy	The absence of people, their return expected. Property coverage on a building is sometimes restricted when there are long periods of vacancy, but not unoccupancy.

<p>Unscheduled Property</p>	<p>Not listed or specifically identified personal property owned or used by an insured anywhere in the world.</p>
<p>Valued Policy</p>	<p>The amount stated in the policy declarations is considered to be the value of the property at the time the loss occurred and is payable in full by the insurer.</p>
<p>Vandalism and Malicious Mischief (VMM)</p>	<p>Protects property against damage caused by vandals. May be added by endorsement to the DP-1 Basic Form: included coverage in many other property forms.</p>
<p>Blanket Bonds</p>	<p>A type of Fidelity Bond. This bond covers all employees on a blanket basis. No names or positions need to be scheduled.</p>
<p>Blanket Position Bond</p>	<p>Fidelity Bond that specifies a single limit of Liability applicable to each employee involved in a loss.</p>

<p style="text-align: center;">Bond</p>	<p style="text-align: center;">An obligation of the insurance company to protect one against financial loss caused by the acts of others.</p>
<p style="text-align: center;">Difference in Conditions Insurane (DIC)</p>	<p style="text-align: center;">Type of Property policy that covers a specific peril NOT covered by the regular property policy. Fills in the gaps created by the exclusions of the standard Property policy.</p>
<p style="text-align: center;">Errors and Omissions (E&amp;O)</p>	<p style="text-align: center;">A professional Liability coverage that protects the insured against liability for committing an error or emission in performance of professional duties.</p>
<p style="text-align: center;">FAIR Plan</p>	<p style="text-align: center;">Provides basic property insurance (fire, lightning, and extended coverage) to those who are unable to secure coverage in the standard or normal market.</p>
<p style="text-align: center;">Fidelity Bonds</p>	<p style="text-align: center;">A bond that protects an employer for the dishonest acts of his or her employees.</p>

Hull Insurance	In Ocean Marine and Aviation insurance, insurance against physical damage to plane or ship.
Implied Warranties	Warranties that are made part of an Ocean Marine contract without any expression on the part of the parties involved. Strict compliance is required for losses to be covered.
Jettison	A voluntary action to rid a ship of cargo to prevent further damage or peril. Jettison is a covered peril in Ocean Marine policies.
Floater	The term "floater" is used in the sense that insurance is provided for mobile property where ever it may be located. There are two types: personal and commercial.
Forgery	This illegal act involves the falsification of one person's signature by another to illegally obtain property or money.



<p>What does Imports and Exports mean?</p>	<p>A category of the Inland and Ocean Marine Nationwide Definition, which is made up of risks eligible for Marine insurance.</p>
<p>What is Inland Marine Insurance?</p>	<p>A form of insurance originally designed as an extension of Marine coverage to insure transportation of goods over land. Today, it covers, in addition to goods in transit, a variety of portable property.</p>
<p>What is Instrumentalities of Transportation and Communication?</p>	<p>A category of the Nationwide Definition that includes several different classes of Inland Marine, including bridges, tunnels, pipelines, cell towers, etc.</p>
<p>What is Jewelers Block Coverage ?</p>	<p>Filed Commercial Inland Marine form for jewelers that covers the insured's stock in trade and the property of others while it is on or off the premises.</p>
<p>What is Larceny?</p>	<p>A theft loss which occurs during a period of time when there was access to the area where the stolen property was located.</p>

<p>What is Messenger in Crime Insurance?</p>	<p>In Crime insurance, any regular employee of the insured who has care or control of the property outside the premises. Also includes the insured, a partner, or an officer.</p>
<p>What is Motor Truck Cargo Policy?</p>	<p>Commerical Inland Marine policy that protects a common carrie aganst its liaility for damage to customers' goods in its custody.</p>
<p>What is Nationwide Definition?</p>	<p>A document designed to categorize ad classify risks elibible for Ocean or Inland Marine insurance.</p>
<p>What is Products and Completed Operations?</p>	<p>A form of General Liability insurance that covers a company against liability arising out of its products ( a manufacturer) or its completed operations (a contractor or architect).</p>
<p>What is Reporting Form?</p>	<p>Forms written with reporting requirements for changing values, used when it's difficult to provide the insurance company what an accurate statement of values because of fluctuations from month to month.</p>

<p>What is Robbery?</p>	<p>In Crime insurance, the forcible and felonious taking of property by violence, or threat of violence, from a messenger or custodian.</p>
<p>What is Safe Burglary Policy?</p>	<p>A Crime insurance policy that is designed to cover burglary of property from a safe or the felonious removal of the entire safe from the premises.</p>
<p>What is Supplemental Tails?</p>	<p>Purchased when the 60-day extended reporting period is not long enough. The supplemental tail could be from one to five years or indefinitely.</p>
<p>What does Transit mean?</p>	<p>Transporting from one location to another.</p>
<p>What is Trip Transit Policy?</p>	<p>An Inland Marine Transportation policy, similar to the Annual Transit policy, but designed to cover a specific shipment.</p>

<p>What is Debris Removal?</p>	<p>A coverage provided in many property contracts that reimburses the insured for expenses involved in removing debris produced by a loss from a covered peril.</p>
<p>What is Fire?</p>	<p>Oxidation which is so rapid as to produce a flame or a glow. There are two types of fire, friendly and unfriendly (or hostile), and only loss caused by an unfriendly fire is covered.</p>
<p>What are Improvements and Betterments?</p>	<p>Additions or changes made by an insured to a building that may or may not be owned by him. Cost arising from these changes may enhance values and thereby require special insurance consideration.</p>
<p>What is Elective?</p>	<p>Law that permits the employer to reject coverage and the employer may then be sued for damage by an injured employee under common law.</p>
<p>What is Employers Liability Coverage?</p>	<p>Coverage provided under a Workers' Compensation policy to cover the employer's liability arising out of employees' work-related injuries.</p>

<p>What is Longshore and Harbor Workers Compensation Act?</p>	<p>Worker's Compensation provided by federal law for those that load, unload, build, and repair ships, or while working on navigable waters or shoreside areas.</p>
<p>What is Loss of Income?</p>	<p>If an employee becomes disabled from a cause arising out of his or her employment, weekly cash benefits will be paid for loss of income beginning after a waiting period has been satisfied.</p>
<p>What is the Monopolistic State Fund?</p>	<p>A state insurance plan that prohibits competition by private carriers (e.g.) Workers' Compensation fund in some states)</p>
<p>What is Occupational Disease?</p>	<p>Impairment of health caused by continued exposure to conditions inherent in a person's occupation or a disease caused by, or resulting from, the nature of an employment.</p>
<p>What is Partial Disability?</p>	<p>Unable to perform some of the duties of the job you are trained to do. You can do some duties, but not all. This can be for a temporary length of time or permanent.</p>

<p>What is Premium Determination for Workers' Comp?</p>	<p>Premium charges are based on the type of business involved (work or job classification), the number of employees, and the total payroll.</p>
<p>What is Businessowners Policy (BOP)?</p>	<p>A Commercial Package policy designed for certain types of small businesses, combining Property and Liability coverages. Very similar to a Commercial Package policy (CPP).</p>
<p>What is Indirect Loss?</p>	<p>Loss that is the result or consequence of a direct loss. Also called known as consequential loss.</p>
<p>What is Adjuster mean?</p>	<p>Represents the insurance company and acts for the company in working on agreements as to the amount of a loss and the liability of the company.</p>
<p>What does accident mean?</p>	<p>A sudden and unexpected event, occurring at a specific time and place.</p>

<p>What does Bailee mean?</p>	<p>One who has temporary custody of property belonging to another (e.g. dry cleaners)</p>
<p>What is compulsory Insurance?</p>	<p>Any form of insurance that is required by law. In many states, for example, Automobile Bodily Injury Liability insurance is compulsory for all owner of automobiles.</p>
<p>What is Countersignature?</p>	<p>The signature of a licensed agent, which, in most states, must appear on the policy to validate the contract.</p>
<p>What is Dual Limits?</p>	<p>Separate limits are provided for various forms of liability.</p>
<p>What is insurability?</p>	<p>Acceptability of an applicant for insurance to the insurance company.</p>

<p>What is Liability Coverage?</p>	<p>Coverage to an insured if a claim is made, or a suit is brought, against the insured for damages due to bodily injury or property damage to others.</p>
<p>What is Multi-peril Policy?</p>	<p>Technically, an insurance policy that insures against more than one peril. More commonly, an insurance policy that provides coverage against both Property and Casualty perils.</p>
<p>What does NAIC Mean?</p>	<p>National Association of Insurance Commissioners - a voluntary organization that was formed to achieve uniformity in state insurance laws.</p>
<p>What does Occupancy mean?</p>	<p>Type and character of the use of property in questions.</p>
<p>What is Partial Loss?</p>	<p>A loss that does not either: 1) completely destroy or render worthless the insured property, or exhaust the insurance applying thereto.</p>



<p>What is Personal Lines?</p>	<p>Insurance coverage intended to protect individuals and their families.</p>
<p>What are Policy Forms?</p>	<p>Various policy forms are available. They vary according to the perils covered and the limits provided. Each policy form offers a different level of protection.</p>
<p>What is Property Coverage?</p>	<p>Four basic areas of the Homeowners contract that provide coverage for an insured's property: 1. Dwelling, 2. Other Structures, 3. Unscheduled Personal Property, 4. Loss of Use.</p>
<p>What is Property Insurance?</p>	<p>Insurance that indemnifies a person with an interest in property for its loss.</p>
<p>What are Provisions?</p>	<p>Specifications dealing with exclusions, policy requirements, cancellations, and related matters.</p>

<p>What is Proximate Cause?</p>	<p>The original or effective cause of loss or damage.</p>
<p>What are Self-insurers?</p>	<p>Where permitted by state law, employers who can provide satisfactory proof of financial ability may carry their own Workers' Compensation risk - that is, they may self-insure.</p>
<p>What is a Watchman?</p>	<p>One who watches over an insured's property.</p>
<p>List Three Crime Policies that Cover Loss of Property Other than Money.</p>	<ol style="list-style-type: none"> <li>1. Robbery and Safe Burglary.</li> <li>2. Premises Burglary.</li> <li>3. Premises Theft and Robbery Outside the Premises.</li> </ol>
<p>Name Two Primary Characteristics of Inland Marine Insurance</p>	<ol style="list-style-type: none"> <li>1. Covers goods in transit.</li> <li>2. Very good, broad all-risk perils.</li> </ol>

<p>Name six types of "Object Definition" Forms Used in Boiler and Machinery Policies</p>	<p>1. Pressure and Refrigerator Objects Form. 2. Mechanical Objects Form 3. Electrical Objects Form 4. Turbine Objects Form. 5. Comprehensive (Excluding Production Machines). 6. Comprehensive (Including Production Machines).</p>
<p>Name Six Categories of the Marine Insurance "Nationwide Definition"</p>	<p>1. Imports 2. Exports 3. Domestic Shipments 4. Instrumentalities of Transportation or Communication. 5. Personal Property Floater Risks. 6. Commercial Property Floater Risks.</p>
<p>Name two Versions of the B.O.P. (Business Owners Policy)</p>	<p>1. Standard - named peril. 2. Special - all-risk.</p>
<p>Name two automatic sections of coverage of a B.O.P. (Business Owners Policy)</p>	<p>1. Section I - Property (very similar to commercial property). 2. Section II - Business Liability (very similar to CGL).</p>
<p>Name Five Common Underwriting Guidelines for the B.O.P. (Business Owners Policy)</p>	<p>1. Multiple storied buildings no more than six stories. 2. Multiple occupancy buildings (such as apartment buildings) no more than 60 units. 3. Retail businesses no more than 25,000 square feet. 4. Office buildings no more than 100,000 square feet. 5. Gross annual sales up to \$3,000,000.</p>

<p>Name three important differences between the standard and special form B.O.P. (Business Owner Policy)</p>	<p>1. Standard named peril, while special is all-risk.  2. Special covers theft of contents automatically, while Burglary and Robbery must be added by endorsement to the standard form B.O.P. 3. Loss of Money can be endorsed to the special form B.O.P. not the standard form.</p>
<p>Name the Five Monopolistic Workers Compensation States.</p>	<p>1. North Dakota 2. Ohio 3. Washington. 4. Wyoming. 5. West Virginia.</p>
<p>Name four categories of benefits payable for covered accidents under State Workers Compensation Law</p>	<p>1. Medical. 2 Disability Income. 3. Rehabilitation 4. Death/Survivor.</p>
<p>Name Three Insurance Sections of a Workers Compensation Insurance Policy.</p>	<p>Part I - Workers Compensation. Part II - Employer's Liability. Part III - Other States Coverage.</p>
<p>Name three primary characteristics of an Umbrella Policy.</p>	<p>1. Monoline liability, no property coverages. 2. Excess liability insurance. 3. Primarily purchased to deal with the potential of catastrophic lawsuits.</p>

<p>Name one unique characteristic of an Umbrella Policy</p>	<p>Losses not covered by the primary liability policies but covered by the umbrella policy are subject to a self-insured retention, very much like a deductible.</p>
<p>Name three types of professional liability insurance</p>	<ol style="list-style-type: none"> <li>1. Malpractice.</li> <li>2. Errors and omissions</li> <li>3. Directors and officers</li> </ol>
<p>Name two errors and omissions policies that do cover bodily injury and property damage liability</p>	<ol style="list-style-type: none"> <li>1. Architects</li> <li>2. Engineers</li> </ol>
<p>Name two important characteristics of professional liability insurance policies</p>	<ol style="list-style-type: none"> <li>1. Claims made form.</li> <li>2. The insurer needs the consent of the insured to settle a claim.</li> </ol>
<p>Name three parties in any surety bond</p>	<ol style="list-style-type: none"> <li>1. Principal - the party that must do something.</li> <li>2. Obligee - the party that receives the benefit of the principal's service.</li> <li>3. Surety - the party that guarantees the principal's service or performance to the obligee.</li> </ol>

<p>What is an Admitted Company?</p>	<p>A company that meets the state Department of insurance's standards and it authorized (e.g. licensed) to do business in that state.</p>
<p>What is an Agent?</p>	<p>An individual appointed by an insurance company to solicit, negotiate, effect, or countersign insurance contracts on its behalf.</p>
<p>What does Competent Parties Mean?</p>	<p>One of the requirements to have a legal, binding contract. Parties to a contract must be of sound mind, proper age, and not under duress or influence of drugs, etc.</p>
<p>What is a Hazard?</p>	<p>A condition that increases the chance of a loss occurring.</p>
<p>What is an Insurance Policy?</p>	<p>A contract (legal document) which establishes the terms of agreement between the insurer and insured.</p>

<p>What does the word "Insured" mean?</p>	<p>The party to an insurance arrangement to whom, or on behalf of whom, the insurance company agrees to indemnify for losses, provide benefits, or render service.</p>
<p>What does the "Insuring Agreement/Clause" mean?</p>	<p>The provision of an insurance policy containing the insurance company's promises. It establishes the obligation of the company to provide the insurance coverages as stated in the policy.</p>
<p>What does the "Law of Large Numbers" mean?</p>	<p>This is a principle that states the larger the amount of similar risks pooled together, the more accurately the losses of that group can be predicted.</p>
<p>What is a Legal Object?</p>	<p>A contract must be drawn for a legal purpose and not against public policy.</p>
<p>What is a Loss?</p>	<p>An unpredictable reduction in the quality, quantity, or value of an asset. For example: bodily injury, disease, property damage, physical disappearance of property, incurred expenses, death etc.</p>

<p>What is Marketing System?</p>	<p>There are numerous types of marketing methods available to insurers such as agency systems, and exclusive agency systems.</p>
<p>What is Material Fact</p>	<p>A fact that, had the company known it, would have caused it to decline the risk or include entirely different provisions than those currently included.</p>
<p>What does "Reciprocal" mean?</p>	<p>A type of organization that functions in a manner similar to a mutual company. It is an association of members who insure one another and share all losses. Managed by an attorney-in-fact.</p>
<p>What is a Surplus Lines Agent (Excess Lines Agent)?</p>	<p>An agent licensed by the state to handle the placement of business with non-admitted insurers.</p>
<p>What is Burglary?</p>	<p>In Crime Insurance policies, it is the unlawful taking of property by forced entry into the premises, or exit from the premises. There must be visible evidence of forced entry or exit.</p>



<p>What is Subrogation?</p>	<p>The transfer to the insurance co. of the insured's right to collect for damages. After paying a claim, the co. stands in the place of the insured in suing the negligent party, thus preventing the insured from collecting twice.</p>
<p>What is Proof of Loss?</p>	<p>A formal statement by the insured to the insurance company regarding a loss. The purpose is to place before the company sufficient information concerning the loss to enable the company to determine its liability under the policy.</p>
<p>What is Short Rate?</p>	<p>A percentage penalty charged on insurance canceled by the insured, before the end of the policy period. Return premium is calculated on a short-rate basis, meaning the insurance company keeps a portion of the unearned premium to cover expenses.</p>
<p>What is Other Insurance?</p>	<p>The existence of another contract covering the same interest and perils. Called Pro Rata Liability, because the insurers pay claims according to the proportion of premiums paid to each. You cannot collect a total more than you lost.</p>
<p>What is Abandonment?</p>	<p>A condition imposed upon the insured stating that he may not abandon damaged property to the insurance company. The insured has a duty or obligation to comply with specific requirements in the event a loss occurs.</p>

<p>What is Absolute (Strict) Liability?</p>	<p>A type of liability imposed by law on those participating in certain activities that are considered especially hazardous. A person involved in such operations may be held liable for the damages of another, even though the individual was not negligent.</p>
<p>What is Agreed Amount Endorsement?</p>	<p>Sets a specific dollar amount of coverage for a certain piece of property. The insured and the insurer have agreed as to what the property is and what it is worth to eliminate problems at claim time.</p>
<p>What is All-risk Insurance?</p>	<p>Insurance protecting the insured from loss arising from any peril other than those specifically excluded by name. This contrasts with Named Peril Insurance, which names the perils insured against.</p>
<p>What is Contributory Negligence?</p>	<p>An old, archaic defense against negligence that has been abandoned in most states. The principle was if the victim of an accident contributed in any way, or was partially at fault for his injuries, they could not recover any compensation.</p>
<p>What is Financial Responsibility Laws?</p>	<p>State Laws that require owners or operators of autos to provide evidence that they have the funds to pay for automobile losses for which they might become liable. Insurance is the usual method for providing this evidence to the state.</p>

<p>What is Garage Policy?</p>	<p>A policy that provides coverage for garage businesses (dealers, service stations, garages, parking lots) Includes coverage for liability, physical damage, and garagekeepers' losses arising out of owned, non-owned, and hired autos.</p>
<p>What is Physical Damage?</p>	<p>Property Damage coverage for a vehicle in the forms of collision (upset or collision of the vehicle with another object) and comprehensive (any direct or accidental damage to the vehicle other than collision) coverage.</p>
<p>What is Personal Articles Floater?</p>	<p>(PAFs) Personal Inland Marine insurance that provides all-risk coverage on optional classes of personal property such as: jewelry, furs, cameras, musical instruments, silverware, gold equipment fine arts, stamp collections, and coin collections.</p>
<p>What is Comprehensive Coverage?</p>	<p>In Auto insurance, a broad Physical Damage Coverage that covers all property losses except collision (fire, water, theft, hail) and other perils or property that are specifically excluded. Called "Other Than Collision Coverage" (OTC).</p>
<p>What is Lloyd's Association?</p>	<p>A voluntary association of individuals, or groups of individuals, who agree to share in insurance contracts. Each individual, or "syndicate" is individually responsible for the amounts of insurance it writes. Also known as "Surplus Lines"</p>

<p>What is Indemnity?</p>	<p>Insurance is designed to restore the policyowner to the same financial condition enjoyed prior to a loss. The intent is to cover the amount of the actual loss only and to avoid paying amounts that allow someone to profit from a loss situation.</p>
<p>What is General Agent? (GA)</p>	<p>An individual appointed by an insurer to administer its business in a given territory. A GA is responsible for building the agency and service force. Compensation is on a commission basis, although there may be additional expense allowances.</p>
<p>What is Financial Status?</p>	<p>Refers to solvency of the insurance company. An insured can secure detailed information regarding the financial status of any company from independent publications such as those produced by A.M. Best.</p>
<p>What does "Doctrine of Utmost Good Faith" mean?</p>	<p>A principle of insurance contracts meaning the insurance co. must be able to rely on the honesty and cooperations of the insured, and the insured must rely on the co. to fulfill its obligation in good faith.</p>
<p>What is Direct Writer?</p>	<p>An insurance co. that sells its policies through licensed agents who are employees of the insurer exclusively, rather than through independent local agents, who represent several insurance companies.</p>

<p>What is Consideration?</p>	<p>A characteristic of a legal contract: the thing of value exchanged for the performance promised in the contract. In insurance, the applicant's answers and the policy premium paid constitute the consideration.</p>
<p>What is "Authorized"?</p>	<p>A company that has received a Certificate of Authority from the state Department of insurance and is licensed or authorized to conduct insurance business in that state. Referred to as an "admitted" company.</p>
<p>What is Supplementary Payments?</p>	<p>Found in most liability contracts, Supplementary Payments provide "extra" coverage over and above the insured's Limit of Liability. Included are first aid, bond premiums accrued interest on judgments, etc.</p>
<p>What does "Personal" mean?</p>	<p>This coverage pays on behalf of an insured, all sums which he or she may become legally obligated to pay as damages due to bodily injury or property damage arising out of an insured's premises or personal activity.</p>
<p>What is No-fault Insurance?</p>	<p>A form of Automobile insurance mandated by law in many states whereby an insurance company reimburses its insured for auto losses, regardless of fault, and without resort to subrogation.</p>

<p>ISO (Insurance Services Office) means what?</p>	<p>An organization, made up of member companies, that analyzes statistics collected from members and then establishes and files standard rates for many lines of insurance. Develops and files standardized policy forms on behalf of members.</p>
<p>What is Fire Insurance?</p>	<p>1. Contract that indemnifies an insured for loss caused by the destruction of the insured property resulting from fire. 2. The field of insurance that provides policies on the insured property for a variety of perils, including fire.</p>
<p>What does Coverage Forms Mean?</p>	<p>Another name for insurance policies; specifically, coverage forms refer to different types of an insurance contract. (ex) 2 coverage forms are available for the BOP, policy the Standard form and the Special Form.</p>
<p>What are Survivor Benefits?</p>	<p>Payable in the event of an employee's death due to a work related injury or illness. Includes a fixed burial allowance as well as weekly indemnity payments to the surviving dependent spouse and children.</p>
<p>What is Second-injury Fund?</p>	<p>A fund established under Workers' Compensation laws in most states to help pay any increased compensation that may result when an employee with a previous injury is injured again.</p>

<p>What is a Third-party Contract?</p>	<p>A contract of insurance involving three parties: the insurance company, the insured, and an unknown third party. All casualty contracts are three party contracts. Are designed to protect the insured(s) against negligence claims by an injured third party.</p>
<p>What is Covered Employment for Worker's Comp?</p>	<p>The majority of Worker's Compensation laws cover most all employment situation. There are 3 types of employment commonly exempted: farms, casual employment (part time) and domestic servants.</p>
<p>What is Removal?</p>	<p>Process of removing property for the purpose of preserving it from a covered peril. Property contracts provide coverage for loss to property during removal. Ex during a fire, you remove your furniture.</p>
<p>What is Extended Coverage Endorsement (ECE)?</p>	<p>A specific endorsement attached to the Fire Dwelling DP-1 Basic form. It is a peril endorsement providing coverage for wind, hail, aircraft, riot and civil commotion, volcanic eruptions, vehicle, explosion, and smoke.</p>
<p>What is Dwelling Fire Contracts?</p>	<p>Monoline personal lines insurance policies that indemnify loss to a house, contents within the home, and appurtenant other structures. They are the DP-1 Basic form, the DP-2 Broad form, and the DP-3 Special form.</p>

<p>What is Appurtenant Structure?</p>	<p>In a Homeowner or fire Dwelling policy, an appurtenant structure is a permanent yard fixture separate and detached from the dwelling. An example is a detached garage.</p>
<p>What are Truckers Forms?</p>	<p>Limited Special Purposes policy that provides Liability and Physical Damage insurance for owners and operators of trucks while engaged in business. It is often purchased by a business that employs owner-operators.</p>
<p>What is Discovery Period?</p>	<p>Condition found in Commercial Crime forms; provides a period of time following the termination of the policy during which losses that occurred during the policy period but discovered after termination will be covered.</p>
<p>What is "Claims Made?"</p>	<p>This version provides an insured Liability coverage for bodily injury or property damage to others, (1) which occurs after a retroactive date, if any, and (2) when a claim is made (reported and filed) during the policy period.</p>
<p>What are "Causes of Loss Forms?"</p>	<p>In the commercial Property policy, there are three primary cause of loss forms to choose from to determine the type of protection desired. Two provide Named Peril coverage, Basic form and Broad form; one provides Open Peril coverage, Special form.</p>



<p>What is Business Income?</p>	<p>Type of form that provides coverage for the actual loss of business income sustained because of necessary suspension of operation due to direct loss of, or damage to, property at the insured location.</p>
<p>What is Flood Insurance?</p>	<p>Insurance designed to reimburse property owners for loss due to flood or to flood-related erosion. Administered through the Federal Insurance Administration, but marketed through independent agents.</p>
<p>What is Watercraft?</p>	<p>This coverage may be attached to a Homeowners contract by endorsement to provide liability for outboard motors over 25 horsepower, inboard motors over 50 horsepower, and sailboats over 26 feet in length.</p>
<p>What are Schedule Bonds?</p>	<p>A kind of Fidelity Bond that is available by a name schedule, which lists a number of persons by name, or by a position schedule, which list the positions to be bonded and the number of people in each position.</p>
<p>What is meant by "Regular Program?"</p>	<p>Becomes effective once a flood insurance rate map is prepared that divides the community into specific zones to determine the probability of flooding in each area and the community agrees to adopt more stringent flood control and land use measures.</p>

<p>What is Professional?</p>	<p>Type of insurance that protects a professional who fails to meet the standards of skill and care generally accepted for his profession or occupation, and which causes bodily injury or financial loss to a client.</p>
<p>What is Position Schedule Bond?</p>	<p>Fidelity Bond that lists covered job categories, each with a separate amount of insurance, rather than the individuals holding those positions. New employees hired in a scheduled position are automatically covered.</p>
<p>What is National Flood Insurance?</p>	<p>Established under the National Flood Insurance Act of 1968. In essence, it created a partnership between the insurance industry and Federal government to provide flood coverage for communities where a need existed.</p>
<p>What is Vicarious Liability?</p>	<p>Imposed in some states upon a person even though he is not a party to the particular occurrence (e.g., the owner of a motor vehicle might be vicariously responsible for injuries even though he is not driving the car at the time of the occurrence).</p>
<p>What is Vacancy?</p>	<p>The absence of people and personal property from a building, not expected to return, Property coverage is often restricted when there are long periods of vacancy, especially for the perils of vandalism and glass breakage.</p>

<p>What is a Mobile Home?</p>	<p>A home that is not on a permanent foundation. An endorsement is required to cover a mobile home on a Homeowners policy. Other Structures (Coverage B) will be covered for an additional 10% of the coverage on the mobile home with a minimum payout of \$2,000.</p>
<p>What is Disciplinary Actions?</p>	<p>An insurer may cancel any agent's license by submitting to the Insurance Department a written request for cancellation. An agent's license can be canceled if the Director of Insurance may refuse a license application, or revoke or suspend a license if he or she feels.</p>
<p>What is Insurance?</p>	<p>Protects people against certain types of financial losses by transferring pure risk from individuals to a group. Insurance involves the pooling of a large number of individual risks.</p>
<p>What is Application?</p>	<p>A questionnaire filled out by an agent and applicant seeking insurance. The form contains rating and underwriting information the company underwriter will use to determine whether to accept the applicant's offer of insurance.</p>
<p>Name three Reasons why a Surety Bond is not an Insurance Contract?</p>	<ol style="list-style-type: none"> <li>1. Bonds are three party contracts, while insurance contracts are two party.</li> <li>2. Insurance policies expect claims, while bonds do not expect claims.</li> <li>3. In a bond, subrogation is within the contract, while subrogation is outside the contract in insurance.</li> </ol>

<p>What are Medical Benefits?</p>	<p>Medical benefits are usually payable immediately without dollar or time limitations. Hospital costs, x-rays, laboratory fees, nursing services, diagnostic tests, ambulance services, doctor bills, drugs, and prosthetic devices are paid for by this benefit.</p>
<p>What is Workers' Compensation Insurance?</p>	<p>Insurance that covers an employer's obligation which make the employer responsible for stated damages in the event of a work-related injury or illness.</p>
<p>What is Rehabilitation?</p>	<p>Designed to assist an injured worker to return to gainful employment as quickly as possible. Rehabilitation benefits are usually paid in addition to the weekly indemnity and medical benefits.</p>
<p>What is Comprehensive Personal Liability?</p>	<p>Insurance protection for bodily injury and property damage liability to others arising from any insured's non-business, personal activities.</p>
<p>What is Retroactive Date?</p>	<p>When a Claims-Made policy is issued, a specific date is written on the declaration page which pinpoints the retroactive date. The retroactive date is a trigger for coverage.</p>

<p>What is Non-owners Automobile Liability Insurance?</p>	<p>Provides protection for the policyowner against claims for bodily injury and property damage liability caused by employees or others using autos not owned or hired by the insured while conducting business. A Named Non-owner policy protects an individual who drives only borrowed or rented cars.</p>
<p>What is Other States Coverage?</p>	<p>When an insured (company or firm) has a number of employees traveling in other states. If the employees are injured in the course of their employment while traveling in "other states" there will be coverage under the home state policy if the states are under "other states" coverage</p>
<p>What is Ineligible Properties?</p>	<p>It refers to classes of business not eligible for an insurance program.</p>
<p>What is Municipal Liability?</p>	<p>Also known as "Public Liability Public Entity Insurance," this type of protection involves Commercial Risk insurance issued to an (city or town) agency or municipality that covers physicians and nurses employed in the municipal department of health for (malpractice)</p>
<p>What is Foreign Brokers?</p>	<p>The Director may issue a foreign broker's license to any suitable person who is a resident in any other state, or In Canada, who has been licensed to solicit or place insurance business, other than life insurance.</p>

<p>What is Time-element Coverage?</p>	<p>Provides protection for indirect loss that occurs when, following a direct property loss, there is a time lapse before the property can be used again. Includes business income, contingent business income, extra expense, and fair rental value.</p>
<p>What is Assigned Risk?</p>	<p>There are some applicants that underwriters do not care to insure, but because of state law or otherwise, must be provided protection.</p>
<p>What is the Motor Carrier Act of 1980?</p>	<p>Trucking operators must file proof of Liability insurance based on what they are hauling and where they are hauling to.</p>
<p>What is Owners and Contractors Protective Liability?</p>	<p>Part of a Commercial General Liability policy that protects an owner or general contractor against liability rising out of the acts of contractors or subcontractors.</p>
<p>What is Hold-Harmless Agreement?</p>	<p>A contractual arrangement whereby one party assumes the liability inherent in a situation, thereby relieving the other party of responsibility. Such agreements are typically found in contracts such as leases, sidetrack agreements, and easements.</p>

<p>What is Fire Legal Liability?</p>	<p>A covered loss exposure associated with The Commercial General Liability policy (CGL). This is financial responsibility for damaging the part of the landlord's building you occupy as a business renter.</p>
<p>What is a Commercial Package Policy?</p>	<p>A multiperil, multiline policy that provides a broad spectrum of Property and Casualty coverage for businesses. The insured may add additional marine, boiler and machinery, glass, crime, business auto, or farm coverages.</p>
<p>What is Umbrella?</p>	<p>A popular form of Excess Liability insurance. Provides additional limits, with a combined blanket single limit, over other existing (underlying) liability coverages such as Commercial General Liability for commercial risks.</p>
<p>What is Emergency Program?</p>	<p>The first phase of the National Flood Insurance Program. It makes a primary level of protection available to any resident of a community that has just joined the program. A single family dwelling can be covered up to \$35,000.</p>
<p>What are "Additional Coverages"</p>	<p>Automatic coverage built into the insurance policy, usually at no cost to the insured. Additional coverage is reimbursement for additional loss or expense associated with the primary coverage.</p>

<p>What is a Declarations Page (Dec Sheet)?</p>	<p>A portion of the insurance contract that contains information such as the name and address of the insured, the property insured, its location and description, the policy</p>