Insurance Broking Keywords

Accident	An unplanned and unexpected event which occurs suddenly and at a definite place.
Aggregate Limit	The maximum total amount an insurer will pay for all claims under a policy during its period of cover.
Adjuster (loss adjuster)	Also known as an assessor is a representative of the insurer who seeks to determine the extent of the company's liability for loss when a claim is submitted.
Advice (in relation to Financial Services)	A statement made which can influence, or is intended to influence, a person to purchase a particular financial product or service. Advice can be personal or general: ▸ Personal advice is advice which takes one or more of a person's individual circumstances into account. ▸ General advice is advice which is not personal—i.e. does not fulfil this individual circumstances test.
Agreed Value	A pre-determined amount set by the insurer and policyholder as the insured value of an item or asset, paid out in the event of a total loss.
Business Interruption	Coverage that compensates an insured for loss of income and ongoing expenses when business operations are disrupted by an insured event.
Broker (Insurance Broker)	An insurance broker is a licensed professional who helps individuals or businesses find and purchase the most suitable insurance policies for their needs. They work on behalf of their client to match them with the best insurance company, and offer unbiased advice by comparing products from multiple insurers.
Business Pack	A type of policy that provides several cover into one policy or package (e.g. fire damage to property, burglary, liability, others). Business packs are sometimes tailored to cover the risks of a particular industry or business, and SME business in general.
Cancellation	The termination of a policy before the expiry date.
Certificate of currency	A certificate that acts as proof that a policy has been issued.
Claim	A formal request by the insured for payment or indemnity under the terms of an insurance policy.
Claims history	The history of losses suffered by an insured which have been covered by insurance. Some claims histories also record events notified to the insurer which did not result in actual claims pay-outs - e.g. Events below the policy excess
Claims made policy	A liability policy that provides coverage for claims first made against the insured during the policy period, regardless of when the event giving rise to the claim occurred, subject to any specified retroactive date.
Claims occurrence policy	An occurrence policy covers incidents or wrongful acts that take place during the policy period, irrespective of when the claim is actually reported, meaning you can report it after the policy has lapsed and still have coverage as long as the event occurred while the policy was in force.
Closing advice	The document sent by a broker to an insurer confirming and finalising an insurance cover arranged by the broker.

Insurance Broking Keywords

Commission	A fee charged/earned by a broker or agent for services in the sale of an insurance contract.
Coverage	The scope of protection provided by an insurance policy, outlining what perils and losses are insured.
Deductible (excess)	The portion of a loss the insured must bear before the insurer pays the balance of an approved claim.
Declared Value	The amount stated by the insured to represent the full value of property or assets at risk, used by the insurer to calculate premiums and risk acceptance.
Declined	To refuse. For example, the insurer may decide not to accept a proposal for insurance or perhaps decline to accept a claim.
Direct Insurer	Is an insurer which deals direct with the consumer/insured rather than through an insurance broker (intermediary) or agent.
Duty of Disclosure	A requirement under Section 21 of the Insurance Contract Act. The insured has a duty to disclose every matter known to be relevant to the insurer, or that a reasonable person in the circumstances could be expected to know to be relevant to the insurer. The duty applies up until a contract is entered into, and when it is renewed, varied, reinstated or extended. An intending insured must be advised of their duty to disclose material facts.
Effective date	The date on which the cover of an insurance policy commences.
Endorsement	A written amendment to an insurance policy that adds, modifies, or excludes coverage.
Excess (deductible)	The portion of a loss the insured must bear before the insurer pays the balance of an approved claim.
Expire Date	The date upon which a policy ends. Conventionally, 4.00 pm is the normal time of expiry, although this varies by type of policy and by insurer.
Exposure	The extent to which an insured is vulnerable to loss; often measured by value of assets or level of activity.
Fiduciary Duty	The legal obligation of a broker to act in the best interests of their client, placing the client's needs above their own.
Flood	Means the inundation or covering of normally dry land by water which: escapes or overflows from, or cannot enter, because it is full or has overflowed, or is prevented from entering, because other water has already escaped or been released from it, the normal confines of any watercourse or lake, including any that may have been modified by human intervention, or reservoir, canal, dam or storm water channel. Flood does not mean storm water run off from areas surrounding the site or water escaping from any water main, pipe, street gutter, guttering or surface.
Gross premium	The total premium charged by the insurer before deducting any commission, fees, or taxes.
Hazard	A condition or situation that increases the likelihood or severity of a loss (e.g., faulty wiring, slippery floors).

Insurance Broking Keywords

Indemnity Period (usually referred to Business Interruption Insurance)	It means the period beginning with the occurrence of damage and ending not later than the number of months specified in the policy schedule during which the results of the business are affected in sequence of the damage. For example, assume damage has occurred on the very last day of the period of insurance. The indemnity period starts from that date and runs until the business is no longer affected, subject of course to the number of months the client selected. If the client selects too short an indemnity period, then the consequences are similar to under-insuring a building. If the business continues to be adversely affected after the nominated indemnity period, the insured will have to carry the losses, as the policy cover has ceased.
Insurance	A contract (policy) in which an insurer agrees to indemnify the insured for specified losses in exchange for a premium. Insurance is a contract where you pay a fee, or premium, to an insurance company, and in return, they agree to pay for specific financial losses if a covered event, such as a storm or car accident, occurs
Insured	The person or entity covered under an insurance policy, entitled to indemnity for losses or liability specified in the policy terms.
Insurer/Insurance Company	The company or underwriter that assumes the risk and pays for covered losses under an insurance policy.
Insurance broker	An insurance broker is a licensed professional who helps individuals or businesses find and purchase the most suitable insurance policies for their needs. They work on behalf of their client to match them with the best insurance company, and offer unbiased advice by comparing products from multiple insurers.
Intermediary	An agent or broker who assists the public in proposing for insurance.
Jurisdiction clause	A clause in a treaty wording defining the laws under which any dispute shall be resolved.
Liability	Legal responsibility to pay damages or satisfy claims for injuries or losses to third parties.
Liability Insurance	A form of general insurance that provides cover in regard to the insured's legal obligation for loss or damage to another person related to a property damage and/or personal injury.
Local Insurer	Transacts business only within the country where it is registered.
Loss Ratio	The percentage that incurred losses bear to earned premiums.
Material Fact	Any information that would influence an insurer's decision to accept a risk or determine the premium; must be disclosed by the applicant.
Market Value	The fair price for which something can be sold in its current condition.
Misrepresentation	Misrepresentation occurs when the insured has provided information to an insurer but that information is incorrect. Fraudulent misrepresentation will allow an insurer to avoid a contract from its inception. Innocent misrepresentation does not allow an insurer to avoid a contract but the insurer can cancel the contract, and may reduce any claim by the extent of the prejudice suffered by the insurer.

Insurance Broking Keywords

Non-Disclosure	The failure of an applicant or insured to reveal material facts to the insurer, which may allow the insurer to void the policy.
Negligence	Failure to use a degree of care which an ordinary reasonable person would use under the given or similar circumstances. A person may be negligent by acts of omission or commission or both.
Natural Disaster	A sudden and severe event caused by natural forces of the Earth that results in major damage, loss of life, or disruption. Examples: earthquakes, floods, bushfires, cyclones, and volcanic eruptions.
Occurrence	An event or series of events that gives rise to a claim under a liability or general insurance policy.
Personal advice	A statement which influences or is intended to influence a person to purchase a particular financial service or product and takes into account one or more of a person's individual circumstances.
Personal lines	This term is used to refer to insurance for individuals and families, such as private car insurance and home insurance.
Policy	The written contract outlining the terms, conditions, coverage, and exclusions between an insured and an insurer.
Policy Schedule	The part of an insurance contract that specifies the insured parties, policy period, sums insured or limits of liability, applicable premiums, and any endorsements or special conditions unique to that policy.
Premium	The price paid by the insured to the insurer for the coverage provided under the policy.
Premium funding	An arrangement between an insured and a finance provider whereby the insurance premiums are paid directly to the insurer by the financier and repaid to the financier by the insured under agreed credit terms.
Product Disclosure Statement (PDS)	A document provided by an insurer that outlines the key features of an insurance product, including coverage details, exclusions, conditions, benefits, and costs, designed to help consumers understand, compare, and choose between different policies.
Proposal	A document containing questions to which a person is asked to give answers that will be used in connection with a proposed contract of insurance. A completed proposal form is an offer by the intending insured to enter into an insurance contract. It is not an offer by the insurer. An insurer may accept or decline a proposal.
Quote Slip	A preliminary document issued by a broker or insurer that outlines proposed coverage, terms, and premium rates before policy issuance.
Rate	The price per unit (e.g. $0.25 per $1 of sum insured). Also used as a percentage of the total sum insured to calculate the base premium.

Insurance Broking Keywords

Retail client	General Insurance is provided to a person as a Retail Client where the client is an individual or the product is sold for use in a small business and the product is: ▸ A motor vehicle insurance ▸ A home building or contents insurance ▸ Consumer Credit, Sickness and Accident or Travel Insurance ▸ Personal and domestic property insurance ▸ Any other class of insurance as prescribed by the regulations of The Financial Services Reform Act (FSRA) now part of the Corporations Act. Note: A small business is defined as less than 100 employees for a manufacturer, or 20 employees for any other business.
Risk Management	The process of identifying, assessing, and mitigating potential losses through prevention, reduction, transfer, or retention strategies.
Subrogation	An insurer's rights at law to take over the insured's rights, following a claim payment to recover the payment from a third party responsible for the loss. Usually, this will be a negligent party who has breached his or her duty of care, but subrogation can also arise under contract, such as a lease or "hold harmless" agreement. The Insurance Contracts Act (1984) places some limits on recovery from family members.
Sum Insured	The maximum amount payable by the insurer under a policy for any covered loss, as specified in the schedule.
Third Party	Someone other than the insured or insurer who may make a claim against the insured for liability or damage.
Underwriter	A professional (or entity) responsible for assessing risks, deciding whether to accept or decline insurance applications, and determining the appropriate terms, conditions, and premium to ensure the insurer remains financially sound.
Underwriting	The evaluation and classification of risk by an insurer, leading to the acceptance or rejection of a policy application and determination of the premium.
Uninsured risks/perils	Events not mentioned in the policy document, but which are clearly outside cover.
Utmost good faith	The doctrine requires all parties to an insurance contract to act towards each other at all times and in respect to all things with the utmost good faith. The Insurance Contracts Act 1984 does not define the implied term "utmost good faith"; however, it has to do with matters of fairness, honesty, reasonableness, community standards of decency and fair dealing.
Valuation	The process of determining the monetary worth of an asset for insurance purposes, ensuring adequate sum insured.
Waiting period	A period of time set forth in a policy that must pass before some or all coverage does begin. It can be thought of as a time excess. It is sometimes referred to as a deferment period.
Write-off (usually associated with motor vehicle insurance)	Your car is declared a write-off when in our opinion, it is so badly damaged that it would not be either safe or economical to repair or when it has not been found within 14 days of you reporting its theft to us.
Written premiums	The total premiums on all policies written by an insurer during a specified period of time, regardless of what proportion has been earned. See earned premiums