

The ABCs of insurance.



To help make your insurance experience as easy as possible, we've compiled a list of the lingo you might not be familiar with, all so you'll have a better understanding of what your policy provides. Ready to get started? Let's sing the ABCs of insurance.

A is for Adjuster

If you've ever filed a claim, your insurance company most likely sent someone to investigate the damage. That someone was an adjuster.

B is for Beneficiary

If you have a life insurance policy, you'll need to name a beneficiary, or a person who will receive the proceeds. Most people choose to name a parent, spouse or child — usually the person who would be most affected by the loss.

C is for Claim

Were you in a car accident? Did your basement flood? When you contact your insurance agent to let them know of the damage, you're filing a claim — a formal request asking for payment, based on the terms of your insurance policy.

D is for Deductible

When you file a claim, you'll want to know what you'll pay out of pocket for the repair — also known as a deductible. For example, let's say the cost of repairing damage to your home is \$1,000, and your deductible is \$500. When you file an insurance claim, you'll pay \$500 out of pocket, and the insurance company will then pay the remaining \$500.

E is for Exposure

Do you drive in an area with heavy traffic? Do you live near a fire station and fire hydrant? Do you have a history of bad luck, leaving you with a long claims history? How is your driving record? Your exposure to things like this increases the risk of covering your home and car, and may lead to higher premiums.

F is for Face Amount

This is the value of a life insurance policy once it reaches maturity, or the policyholder passes away.

G is for General Liability Insurance

If you're a business owner, this one's for you. General liability insurance is designed to protect policyholders from liabilities stemming from their workplace — like the products they make or the services they perform. (Not sure if you need it? Read our blog: 4 reasons your business needs liability insurance.)

H is for Homeowners Insurance

If you own a home, you need a homeowners insurance policy. If you have a home loan, your mortgage company will require coverage for your house in case anything were to happen.

I is for Independent Agent

An independent agent is a representative of multiple insurance companies who determines the coverage you need — keeping you safe and sound. Not only can they help you find the right insurance company, they can help you find the insurance policy that meets all of your needs. See all they do, all for you.

J is for Joint Life Policy

Do you want a life insurance policy that covers you and your spouse, or you and your child? That's what a joint life policy is for.

K is for Key-Executive Insurance

Are you a business owner? If you have an employee who is so vital to your company that their passing would not only be unimaginable, but could cause harm to your business, you can insure them with key-executive insurance.

L is for Loss Control

What can you do to lessen your chance of filing an insurance claim? Practice loss control — the methods taken to reduce your risk.

M is for Multiple Policy

Do you need more than one thing insured? If the same company is insuring all of those things, you become a multiple policyholder (and may even be eligible for a multiple policy discount).

N is for Named Insured

Who's the named insured on your insurance policy? That's you. You're the one who purchased the policy and you're the one your insurance company will protect.

O is for Occurrence

Before you file a claim, you experience an occurrence, which is an incident that may result in an insured loss.

P is for Premium

Most people have heard the word premium said in an insurance conversation, but they don't always understand what it means. A premium is the amount of money you pay your insurance company to cover your home, health, vehicle or life. It can be paid in installments or annually, and the amount depends on which policy you choose and what your exposure to loss is.

Q is for Qualifying Event

Remember when we told you what an occurrence was? Know that your insurance company might use that term and this one interchangeably.

R is for Renters Insurance

If you're living in an apartment that catches fire, what would you do about everything that was inside of it? If you have renters insurance, you'll be able to replace most, if not all, of it. So, for that reason and more, it's protection worth having.

S is for Standard Auto

If you drive a vehicle, you'll need car insurance — a protection plan for you and the vehicle in case of any collisions or damage.

T is for Total Loss

An adjuster will rule something to be a total loss when he or she sees the damage exceeds the cost of the item and there is no value left.

U is for Umbrella Policy

Just like a rain umbrella keeps you covered in an unexpected downpour, an umbrella policy will help you weather the unexpected. If there's ever a time when your home or auto insurance just isn't enough, an umbrella policy will add an extra layer of protection.

V is for Valued Policy

Do you know if you have a valued policy? If you do, you and your agent agreed upon the value of your insurance policy in advance. The value is not related to the amount of your insured loss.

W is for Whole Life Insurance

It's life insurance for the remainder of your life.

X is for X Factor

Something every insurance agent should be offering their policyholders — going the extra mile to make sure they're safe and stable.

Y is for Yacht

Do you own a yacht? Insure that, along with all of your other watercraft, with a personal marine policy so you can sail the seas — knowing you're protected.

Z is for a Zillion Reasons to be Insured

Insurance can only help you — keeping you protected and at ease.

If you're ready to have a frank conversation about insurance, find an agent near you.