

# YOUR INSURANCE JARGON-BUSTER

When it comes to arranging your insurance as a small business, you may come across some terms you've not heard of before. At Towergate Insurance, we're dedicated to making the complex simple and talking about insurance in a way that everyone can understand.

**To help get you started, our jargon buster puts things simply so you can unscramble the meanings of those unfamiliar terms.**



## Act of God

A natural event that is beyond human control. For example, flooding or a storm.



## Aggregate limit

A cap on the total amount an insurer will pay out over the duration of your policy.



## All risks

A type of insurance that automatically covers any risk not specifically excluded in the policy wording.



## Certificate of insurance

A document issued by your insurer that provides evidence of your insurance coverage.



## Claims-made policy

A policy that covers claims for events that happened before the policy started. This will be within an agreed timeframe.



## Claims-occurring policy

If your policy is written on a claims-occurring basis, it will only pay out for claimable incidents that happened within the duration of the policy.



## Endorsement

Any change or addition to the terms of your policy. This can happen before you take out the policy, after you have been insured or at the policy's renewal.



## Excess

A change to a policy that can modify, increase or restrict coverage to better suit the policyholder's needs. This can happen throughout the duration of your policy and at renewal.



## Exclusion

A specific condition, risk or type of loss that your policy does not cover. These should be listed in your policy wording.



## Loss adjuster

The person who determines how much money should be paid when someone has made a claim on their insurance policy.



## Material damage

Physical loss, damage or destruction to property or contents.



## Moral hazard

When the person who is insured takes more risks than usual because they believe any repercussions will be covered by their insurance.



## Premium

The amount you pay for your insurance. This is usually paid for on an annual basis, or in instalments.



## Risk appetite

The level of risk an insurer will accept when offering cover. For example, a home insurer may have a low-risk appetite for properties in high flood risk areas, meaning they can refuse cover or charge higher premiums.



## Subrogation

When an insurer recovers their costs from a third party responsible for the loss. This is common in car insurance when a car accident is caused by another driver.



## Sums insured

The maximum amount an insurer will pay out in the event of a claim. For example, in home insurance this would be the total cost to rebuild your property including material and labor.



## Underwriting

The process that insurers go through when deciding whether to offer cover, how much it should cost and what terms to apply.

At **Towergate Insurance**, we can help you get this right from the outset and will stand by your side if you need to make a claim. Want to know more?

Get in touch on **0330 828 5378** or visit **[towergateinsurance.co.uk](https://towergateinsurance.co.uk)**.

