

Insurance Operations © 2013
Chapter 6: Additional Types of Insurance—Glossary

umbrella liability policy. Protects the policyholder in the event other policies do not cover a given loss.

net worth. The total of a person's assets minus the total of his or her liabilities/debt.

deductible. The amount a policyholder must pay out-of-pocket before the insurance begins to pay on a given claim.

gap insurance policy. An insurance policy that pays the difference between the cash value of a car and the balance on the loan for the vehicle.

depreciation. The decrease of value of an item over time. This term is often used to apply to cars and other automobiles.

lease. A contract for rental of a car for a specified term, usually three or more years. The car is returned at the end of the term.

loan term. The length of time over which a loan is repaid.

earthquake insurance. A property insurance policy that covers the damage that the shaking ground causes to buildings, such as cracked foundations or collapsed walls.

California Earthquake Authority. A privately funded, publicly managed organization through which homeowners in the state can purchase earthquake insurance.

title. A public record that lists who owns a given property.

title defect. An issue that disputes the legal ownership of a property, such as deed errors, omissions, or forgery.

lien. A legal claim of debt against property, such as real estate or a car.

title insurance. A backward-looking insurance policy that provides lenders with coverage for losses and legal fees in the event of a title defect.

medical malpractice. A situation in which a health care provider fails to provide appropriate care and as a result causes injury to a patient.

misdiagnosis. A case in which a physician makes an error in identifying an illness or injury.

damages. Financial compensation awarded to the plaintiff (patient) in a medical malpractice case.

medical malpractice insurance. Protection for physicians and other medical-care providers from the financial risk associated with malpractice lawsuits.

patient compensation funds. State-created funds that serve as a way to address unaffordable malpractice insurance. These funds cover higher-end losses.

joint underwriting associations. Groups through which insurers join together to offer medical providers affordable malpractice insurance.

identity theft. The stealing of someone's personal information and using that information to impersonate the victim.

identity fraud. Using a person's personal information to do things like withdraw money from bank accounts and rack up credit or debit card charges.

phishing. The use of fraudulent e-mails and copies of legitimate websites to trick people into providing personal, financial, and other data.

identity theft insurance. Insurance coverage addressing the financial losses that often come with identity theft and fraud.

credit report. A sheet of data on a person listing information about his or her credit history, such as what credit cards the person has and the payment history. A credit report will also contain information about where the person lives and works, dating back ten years.

hacker. Someone who has expertise in manipulating computer technologies.

hacker insurance. A type of insurance that protects the policyholder from losses and liability caused by hackers.