

## Math for Financial Literacy © 2013

### Chapter 12: Insurance—Glossary

**beneficiary.** In insurance terms, the person who will receive the value of a life insurance policy in the event the insured dies.

**cash value.** Money a policyholder gets back when a qualifying life insurance policy is cancelled.

**coinsurance.** Sharing of expenses with the insurance company.

**copayment.** Specified amount the insured pays for a doctor visit, also called a *copay*.

**disability insurance.** Type of insurance that helps replace income when a person cannot work due to illness or injury.

**group health insurance.** Health insurance provided by an employer or group.

**health insurance.** Type of insurance that helps pay medical bills.

**insurance policy.** Name of the product purchased when an individual buys insurance.

**insured.** Person whose life is being insured by life insurance.

**life insurance.** Insurance policy that pays a specified person money in the event of the death of an individual.

**permanent life insurance.** Life insurance policy that does not expire.

**professional liability insurance.** Type of insurance that covers issues that may arise from a person's quality of work.

**term life insurance.** Simple insurance policy that pays a certain amount to a beneficiary when the insured dies.

**travel insurance.** Type of insurance that covers losses that result from issues related to travel.

**umbrella policy.** Insurance policy that raises the total amount of liability insurance a person has.

**universal life insurance.** Life insurance policy that gives the policyholder flexibility to adjust the amount of the premiums as well as the amount of the death benefit.

**variable life insurance.** Life insurance policy with a fixed premium payment and a death benefit that varies.

**whole life insurance.** Type of permanent life insurance that has unchanging premium and death-benefit amounts.