

accounts receivable aging report. Document that shows when accounts receivables are due as well as the length of time accounts have been outstanding.

burglary. Occurs when a person breaks into a business to steal merchandise, money, valuable equipment or to take confidential information.

business owner's policy insurance. Risk management product that provides low-cost property and liability coverage for small business owners.

collection agency. Company that collects payments due on behalf of a business for a fee.

consumer credit. Credit given to an individual by a retail business.

controllable risk. Risk that cannot be avoided, but can be minimized by purchasing insurance or implementing a risk plan.

credit bureau. Private firm that maintains consumer credit data and provides credit information to business for a fee.

credit report. Record of a business' or individual's credit history and financial behavior.

credit risk. Potential of credit not being repaid.

creditor. Individual or business to whom money is owed for goods or services provided.

customer loyalty. Continued and regular patronage of a business when there are other places to purchase the same or similar products.

debtor. Individual or business who owes money for goods or services provided.

debtor-creditor relationship. Legal relationship existing between a debtor and a creditor based on a good faith agreement that both parties will uphold their end of the agreement.

economic risk. Situations that occur when the economy suffers due to negative business conditions in the United States or the world.

embezzlement. Type of fraud that occurs when somebody entrusted with confidential company information, financial records, money, or other valuables takes them for personal gain.

employee theft. Employees stealing from the business.

fraud. Cheating or deceiving a business out of money or property.

guarantee. Promise that transfers the risk for certain specified losses from the purchaser to the provider.

human risk. Situations caused by humans, whether it is employees or customers.

installment loan. Loan paid in regular payments, known as *installments*, with interest until the loan is paid in full.

insurable interest. Insurance provision that requires a policyholder to be the one at risk of suffering a loss.

insurance. Form of risk management in which an individual or business pays a fee, or premium, to transfer the risk for a specific type of loss.

market risk. Potential that the target market for new products or services is much less than originally thought.

natural risk. Situation caused by nature.

planned obsolescence. Evaluating and updating current products or adding new ones to replace older ones.

premium. Amount that is paid for insurance.

product obsolescence. Customers no longer want to buy a product, leaving an owner stuck with merchandise that will not sell.

robbery. Theft involving another person, often by using force or with the threat of violence.

shoplifter. Person, posing as a customer, who takes goods from the store without paying for them.

surety bond. Three-party contract that guarantees one party will fulfill its obligation to a second party.

surveillance. Process of observing everything going on at the business to detect and prevent crimes.

trade credit. Practice of one business granting a line of credit to another business for a short time to finance the purchase of the first business' goods.

uncontrollable risk. Situation that cannot be predicted or covered by purchasing insurance.

uninsurable interest. Risk an insurance company will not cover.

worker's compensation. State-mandated business insurance program intended to provide medical and financial support for workers who are injured or made ill at the workplace.