

**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.