INDWE
RISK SERVICES

15 BASIC INSURANCE TERMS YOU SHOULD KNOW

Insurance has its own jargon and terms that can be hard to understand, but it's essential that you have a clear understanding, particularly of the basic terms. Here are 15 common insurance terms to wrap your head around.

BROKER
An intermediary who sells, services or negotiates insurance policies on your behalf, for compensation.

BENEFICIARY
The person who will receive any payments of something like a life insurance benefit, when the policyholder has passed away.

CLAIM
Refers to a formal notification to an insurance company about a loss that has taken place and which might be covered by the policy.

DEDUCTIBLE
This is the amount that you (the insured) pay out of your own pocket on a loss before the insurance company begins to pay.

EXCESS
The amount of money that must be paid by the insured towards the overall cost of each claim.

EXCLUSIONS
These are the things not covered under the terms and conditions of a policy.

INSURER
An insurance company that agrees to pay for losses and provide covered benefits to the insured.

INSURED
This refers to the policyholder that an insurance policy provides coverage for.

LIMITS
The maximum value that an insurance company will pay for a claim that your policy covers.

POLICY
A contract that details all the terms and conditions of your insurance cover.

POLICYHOLDER
The person who looks to purchase an insurance policy and who pays the premiums.

PREMIUM
This is the amount paid to an insurance company in exchange for cover.

THIRD-PARTY
A person or entity who is not part of the insurance contract but who is looking for compensation for injuries or loss caused by the insured.

UNDERINSURANCE
A condition in which not enough insurance is held to cover the value of the insured property.

WAITING PERIOD
A period set forth in a policy that must pass before some or all coverage begins.

Do you have any more questions about insurance that you need answered?
Contact us on 0860 13 13 14 or indwe@indwe.co.za

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