



Insurance Terms

ACORD Certificate

ACORD (Association for Cooperative Operations Research and Development) is the global standards-setting body for the insurance industry. The ACORD 25 form is a vehicle to convey information and does not amend terms or conditions of your policy. (See Certificate of Insurance below.)

Additional Insureds

An Additional Insured is a party added to a liability policy to extend coverage with regard to a specific job, activity, or location. The person or entity has a business relationship with the named insured that creates a risk or lawsuits against the named insured.

Certificate of Insurance (COI)

A certificate of insurance (COI) is a physical or electronic document that provides proof to anyone you work with that you have a valid insurance policy in place. Most certificates of insurance are issued on a form by a company called ACORD although other certificates are used occasionally.

Claim

A first-party insurance claim is made by the policyholder, while a third-party insurance claim is made by someone other than the policyholder or the insurance company.

Claims Made

A claims made policy only covers claims reported to the insurance carrier when the policy is in effect. This means two criteria must be met for your coverage to apply:

- You have an active insurance policy or extended reporting period in place when the claim is made.
- You have continually renewed or extended the policy from the time the incident occurred to the time the claim is made.

Commercial General Liability

See the definition for General Liability.

Coverage Territory

Contractual provisions limiting coverage to geographical areas within which the insurance is effected.

Crew

Your crew includes anyone who is engaged in a cooperative effort with you whose actions related to the covered activities you would like to be insured by your policy. Adding a crew member adds them as an insured so their actions are covered, whereas the actions of Additional Insured are not generally covered.

Errors and Omissions (Professional Liability Insurance)

An insurance form that protects the insured against liability for committing an error or omission in performance of professional duties. Generally, such policies are designed to cover financial losses rather than liability for bodily injury and property damage.

General Liability Insurance

General Liability Insurance, also referred to as Commercial General Liability Insurance or Business Liability Insurance, is the most fundamental insurance coverage a business can purchase. It protects a business against the risk of unintentional accidents, which include bodily injury and property damage to a third party.

Insurance Services Office (ISO)

ISO is shorthand for the Insurance Services Office, a standards body for the insurance industry. To ensure the broadest acceptability among clients, the GCL policy we arrange uses the ISO CG 00 01 04 13 coverage form as its base, along with proprietary endorsements and exclusions.

Loss Payee

A person or entity that is entitled to all or part of the insurance proceeds in connection with the covered property in which it has an interest.

Named Insured

A named insured is a specifically named individual or firm (usually the policyholder) with whom an insurance contract is made, and whose interests are protected under the policy. In some cases, more than one entity may be designated as named insured.

Occurrence

Under an occurrence form insurance policy, you are covered for incidents that occur when the policy is in effect, even if the claim is made after the policy period has ended.

Personal Injury

Personal Injury is a category of insurable offenses that produce harm (including bodily injury) resulting from false arrest, detention, or imprisonment.

Policy Period

Your policy period is the amount of time that you designate for your policy to be active. Your coverage can be for a period as short as an hour, and for some, longer.

Products and Completed Operations Liability

In addition to bodily injury and property damage that occur during the policy period, many general liability policies include coverage for liability that arises from an insured's products or business operations occurring after operations have been completed or abandoned.

Professional Liability Insurance (Errors and Omissions)

Professional Liability insurance can serve as a complement to your general liability policy depending on your coverage needs. Professional liability insurance is designed to protect against claims that result from errors and omissions in the performance of professional services—in other words, when someone alleges that you've done your job improperly, professional liability insurance may respond.

Property Damage

General liability insurance offers coverage for property damage – either to another person’s or business’ property. For example, imagine you are meeting in a client’s office. While walking towards them, you trip over a cord and knock over an expensive lamp. The client wants you to reimburse them for the cost of the lamp.

Subrogation

Subrogation refers to an insurance carrier’s legal right to pursue a third party that caused an insurance loss to the policyholder. This allows the carrier to seek repayment for the claim amount that they paid for the loss.

Wavier of Subrogation

A waver of subrogation is a contractual provision that forfeits the right of subrogation. In other words, the insured waives the right of the insurance carrier to seek compensation for losses from an at-fault third party. A wavier of subrogation is only provided for scheduled Additional Insured.