ELEMENTS OF INSURANCE pdf

1: Insurance Fraud Laws and Penalties | www.enganchecubano.com

The elements of an insurance contract are the standard conditions that must be satisfied or agreed upon by both parties of the contract. In terms of Insurance, these are the fundamental conditions of the insurance contract that bind both parties, validate the policy, and makes it enforceable by the law.

Clipping of news on Brazilian Culture, Law and Citizenship Insurance Elements of Insurance Contract This article was translated by an automatic translation system, and was therefore not reviewed by people. Definition The insurance is a form of risk transfer in which the insurer, by contract, undertakes to indemnify the insured in the event of occurrence of events harmful to life, health, rights or property of the insured. In fact today the insurance has a remarkable breadth of coverage where the risk can reach not only facts but even harmful situations of embarrassment or failure in any field of human activities, among others. The obligations of the insured are restricted to the provision of correct information for the formulation of the value of the insurance premium, payment of installments that fit him under the contract and timely notice to the insurer in case of accident. The obligations of the insurer are broad and begin by providing full information to the insured on all the conditions of insurance before contracting, the supply of copies of documents that portray the terms of the policy when contracting, and the correct, full and prompt compensation or coverage at the time of the accident or the events planned under the conditions of insurance. As an insurance contract Watch the rules to make a safe: This period starts from the date of delivery of all documentation requested from the insured. Make a complaint in writing and send a copy of the documentation. The insurance can only be contracted with an insurance company duly authorized to operate, many of the methods of business or services using the word insurance but are not legally in this activity; Not all insurers operating in the satisfaction to the consumer, it is important information on fitness and speed of the undertaking and with the bodies of consumer protection. The value of the insurance premiums are not fixed, can vary from company to company, may pay the price search and negotiate the value of the insurance premium is set before the hiring. Before hiring the person to gauge their needs and consult an insurance broker of your trust to not hire insurance with inadequate coverage. The future insured must read and reread the terms of insurance, compared with other insurance to other insurers and always save the brochures, advertisements or offers of insurance for which influenced their hiring, as these documents may be needed in the future. Before hiring the insurance consumers should consider carefully any contractual restrictions, some seemingly unimportant clauses may be decisive in shaping the value of the insurance premium and the extent of coverage. Do not believe promises or information not in the insurance policy or documents sent by the insurer, any advantage deserves extraordinary care. In the case of claims covered by DPVAT - insured, the insured or the beneficiaries should not trust your attorney to grant rights or persons unknown, there are many gangs of criminals specialized in applying blows to the victims of accidents of vehicles. Usually a member of the gang deals with victims or their beneficiaries in the doors of the hospitals, asking for authorization to receive the insurance and then disappear with the compensation. Elements of Insurance Contract Are elements of insurance contracts, among others: The proposal, which is usually a document issued by the Insurer in standardized format, which addresses the limits of the interests of the parties to the contract of insurance and the initial conditions and value of the award and compensation; The Policy, which is the main document regulating the responsibilities and obligations of each party and whether the contract is established by the insurer, by rules imposed by law and the official bodies that oversee this business. In many situations, especially in terms of insurance parameterized by law or regulations of public bodies, can be used to secure the ticket, providing the requirement of the proposal and replace the policy. The DPVAT, for example can be given simply by the insurance card, along with the DUT single transit ; The Estipulante, which is the person or company who contracts the insurance for an insured; The beneficiary, who is the person or entity which seeks the value of compensation in the event of occurrence of the accident provided in the policy. The franchise is under contract, may be higher, lower or no; The division, which is a contract which allows the insured take a proportion of the insurance indemnity if the insured value is less than the actual value of the property insured;

The period of validity, which represents the period of insurance cover should be examined and considered as a trainer in the value of the prize. Although the insurance in general are engaged for a year, are already on the market various types of insurance that cover periods of months, weeks or even days. The renewal of insurance contracts is not automatic, except in certain contracts with clause to this effect, therefore, with interest of the insured in its extension, the insurer should seek before the unsuccessful termination of insurance, failing to spend some time discovered before the formalization of the contract and the beginning of your new life. Personal Accident Insurance Personal accident insurance: Insurance of personal injury is more extensive and complete that the life insurance, also aims to payment of indemnity to the insured or their beneficiaries in case of accident. The minimum coverage, this type of insurance covers the event death and permanent disability. However, in most cases the contracts already in itself bring other additional coverage, especially as regards the medical and hospital expenses and per diem of temporary disability of the insured. Insurance Retirement The so-called secure retirement, but contain all the features of primary insurance, is substantially different from traditional insurance, the pension supplement is the amount paid is not intended solely to compensate the risk, but only one of its plots is diluted in consideration the harmful event, the balance in some situations, may even be reversed in the pocket, depending on when the terms of the contract. This type of insurance is offered on various forms, including the possibility of the participant begins to receive a portion of the pension supplement even before he retired and even with the right to raise the estate in the event of occurrence of certain health problems. Fire Insurance The insurance coverage has its fire directed at harmful events caused fires, fall-ray, electrical installations, gas installations, etc.. It is free of the contractors, insurers and insured, extend the risks to be covered by insurance, including the electrical damage, fires in rural areas, vendaval, cyclone, hurricane, falling aircraft, among others, upon payment of additional premiums. Liability Insurance The civil liability insurance today considered the most important form of insurance for professionals are designed to protect the insured against liability with respect to others people or things , by unintended fault of the insured or persons for which should respond civilly. This type of insurance can cover damages that the insured is ordered to bear in the face of carelessness, negligence or professional incompetence but can also cover the compensation due to victims of attack from an animal of their property. Vehicle Insurance Today, in industrialized countries, insurance of motor vehicles were in the most common and, depending on the terms of the contract may include coverage for fire, theft, collision and damage from other forms of accidents. In most cases the contracts also stipulate clauses that extend the compensation to damage to third parties through the fault of the insured. Also in this type of insurance is set to be a normal value of franchise, or a threshold value that will be the entire responsibility of the insured and that only from this level, begin to rise to liability of the insurer. In the policy should be necessarily the brand of vehicle, its year of manufacture, the value provided, the value of the award, the starting date of validity of the insurance contract and the value of the franchise. Life Insurance There are several types of insurance that consumers can hire the most used, the life insurance, is divided into three categories: Individual life insurance - Life assurance is based on individual, as the main factor in shaping the value of the prize, the age of the insured. This type of insurance clause is permitted to establish a grace period in which the insured pays the installments are due but it does not receive the coverage contract, the validity of coverage begins at prefixed time beyond the date of hiring. The insurance contract is always temporary and the amounts paid do not create any rights in the rent, return or benefits not covered in the insurance policy. Life Insurance Group - The group life insurance is to several people linked by a ratio of any fact or law, but, agreed together, provide a better condition of employment and, consequently, a lower value of prize that is paid by individual policyholders. Just as the individual has the scope secure the payment of the insured value of importance to the beneficiary by the insured as defined previously, or as provided by law of succession in the event of default, when the event death. This type of insurance has a defining element of the value of the award and conditions of employment the state of health of the insured, or the grace period established, and the average age of the insured. Seen as the subject is defined because of the risk, so all the trails of the legal relationship between the insurer and the insured are actually linked to an analysis on the time of insurance and the risks involved. Insurance Education The insurance education is intended to cover the education of the beneficiaries designated by the insured, in its absence, is due to disability or death, depending on the terms of the insurance contract. The insurance is usually employed to cover the cost of education, including books, by the University. However, nothing prevents the insurance is restricted to a stage or school period, not including the cost of books, etc.. Compulsory insurance The insurance, also known as DPVAT which is intended to cover the injuries of Motor Vehicles DPVAT is charged to owners of vehicles once a year at the time of his permits, the unique value for all vehicles tour of national or imported. The insurance is intended to redress and compensation in cases of accidents involving injury and trampling, which results in temporary disability, permanent or death, involving individual or collective transport, by cargo, persons transported or not, including owners, drivers, or their beneficiaries dependent. The right of victims or beneficiaries to receive the compensation of compulsory insurance is not dependent on identification of the vehicle that caused the accident. The victims or beneficiaries of insurance, where a car accident may apply for compensation in any insurance associated with the National Federation of Insurance, on submission of copy of the accident report issued by DETRAN, ballot of identity, CPF, documents show medical and hospital expenses or proof of the legitimate succession in the face of the victim in cases of death event. Health Insurance The health insurance, designed with the same concepts of other insurance, aims to reimbursement of expenses for surgery, clinical examinations, treatments and medical consultations and hospital stays in held by the insured. The health insurance, which is not to be confused with health plans offered by companies to provide services or cooperatives of professionals in the health field is currently governed by a set of special rules, more clearly defined within the general insurance. This article was translated by an automatic translation system, and was therefore not reviewed by people. The JurisWay site does not interfere in the work provided by doctrine, why only reflect the opinions, ideas and concepts of their authors.

2: Elements of Title Insurance

There are many different types of insurance policies, but all types of insurance have some basic elements in common. Policy A policy or insurance policy is a contract that states all the specific conditions of an insurance plan.

In reality, there are five key elements to any health insurance plan. Developing a basic understanding of each helps you determine which plan is the best one for you. Provider Network The provider network includes all of the healthcare facilities that a health plan contracts with to provide services for its customers. This includes doctors, hospitals, labs, and clinics. Each has key similarities and differences. HMO These healthcare provider contracts service a particular area and require members to receive all care from a provider under contract with the HMO. HMOs do not cover care from providers outside the network except in cases of emergency such as while traveling , or with prior approval. This provider works within the network and coordinates your care with other providers when needed, such as providing referrals for specialists. Visiting a specialist without a referral, even one within your network, usually results in your being held responsible for the cost. This plan is a good choice for patients willing to accept limited provider choice for the benefit of lower out-of-pocket costs. Typically, HMOs have lower premiums, lower co-pays, and cover a wider range of services. If you do not have a preexisting condition, such as a chronic illness, with a long history with a particular physician, the narrow list of approved providers presents little problem. However, if it is important to you to have the freedom to choose any doctor you want, whether that doctor is in your network or not, HMOs may not be your best bet. The main difference is that beneficiaries may visit an out-of-network doctor or facility for a slightly higher out-of-pocket cost. The price of higher freedom is higher out-of-pocket costs, including higher premiums, deductibles, and co-pays. Patients with substantial history with a particular provider typically feel that the higher cost is worth the ability to choose any doctor or hospital to receive treatment. For example, customers may select a PCP, but are not required to do so. They receive lower out-of-pocket costs when they remain in network, but visiting an out-of-network provider is covered by the plan, just at a steeper cost to the patient. Drug Formulary A drug formulary is simply the list of prescription drugs covered by your plan. Each is chosen for safety, effectiveness, and value. A committee of pharmacists, physicians, and nurse practitioners choose with drugs to include, and update the formulary as necessary. Most drug formularies include tiers, each with a different co-pay. Tier 1 prescriptions usually include mostly generic versions and have the lowest co-pay amount. Formularies may have up to five tiers. Co-pays increase as you step your way up each tier of the drug formulary, as does the cost to the insurer. Prescription drug plans may require plan beneficiaries to meet a yearly deductible before the plan begins covering any of the prescription costs. Other restrictions include prior authorization permission from the insurer before prescribing a drug and step therapy requires you to first try lower-priced versions of the same medication. The intention of all of these restrictions and tiers is managing costs for both the insurer and the plan beneficiary. Premium The premium is the amount you pay to the insurer, which may be due monthly, quarterly, bi-annually, or annually. As long as you pay your premiums, you remain covered under your health insurance plan unless your insurer accuses you of wrongdoing, such as fraud. The length of your policy period, usually 12 months, dictates the amounts of your premium and other out-of-pocket costs. The cost of your premium usually plays a role in determining your other out-of-pocket costs, with a higher premium leading to lower co-pays and deductibles. Plans with higher premiums usually also offer better plan benefits. Deductibles Some plans but not all include yearly deductibles that plan beneficiaries must reach before their insurance begins covering medical costs. Most plans do not include preventive care as part of the deductible requirement, such as yearly wellness visits and immunizations. The idea behind deductibles is that they cut down on unnecessary doctor visits while encouraging preventive care that reduces long-term healthcare costs. Please note that deductibles and co-pays are not the same thing. Consider out-of-pocket costs when choosing your plan, not just the premium. High deductible plans work well for people who enjoy good health, as premiums are typically lower. Low deductible plans have higher premiums but may be the better choice for someone with a chronic condition. Behavioral healthcare, including substance abuse, counseling, and psychotherapy Emergency services.

3: The digital evolution in the world of insurance | Element Insurance

Essential elements of Insurance Source:www.enganchecubano.com Insurance means protection against loss. It is the process of safeguarding the interest of people from loss and uncertainty.

Share on Facebook What is Insurance Fraud? Insurance fraud occurs when people deceive an insurance company in order to collect money to which they are not entitled. This particular fraud is a crime in all fifty states, and the majority of the states have established fraud bureaus to identify and investigate fraud incidents. In most states, fraudulent claims can be either a felony or a misdemeanor, depending on the nature and extent of the fraud committed. Certain types of fraud, such as health care fraud, are also crimes under federal law. Insurance companies can also commit fraud by improperly denying a policy holder or health care provider a benefit that is due. Fraud and Bad Faith. Fraudulent insurance claims affect society as a whole, not just insurance companies, and for that reason, it is punished harshly. According to the Coalition Against Insurance Fraud , fraud schemes steal at least 80 billion dollars per year in the United States. The costs are ultimately borne by policyholders and consumers, because insurance companies charge higher premiums to cover their losses from fraud. Individual and business premium rates go up, and businesses often pass along the increased costs to their consumers. This article will discuss the elements of the crime of insurance fraud, including common types, and the range of penalties imposed for fraudulent insurance convictions. To learn about other types of fraud and their consequences, see Laws on Fraud. The Elements of Insurance Fraud In order for the defendant to be found guilty of fraudulent activities, prosecutors must prove that each of the following "elements" was met. Unless the judge or jury finds that each of these elements was proven beyond a reasonable doubt, they must acquit the defendant. Knowingly making a false or misleading statement Like other forms of fraud, insurance fraud requires that the defendant knowingly make a false or misleading statement, or, in other words, tell a lie. Simply not telling the truth is not enough--the defendant must do so knowingly, which means he must intend to make the statement and be aware that the statement is false. For example, if a person filing an automobile insurance claim mistakenly but in good faith tells his insurance company that the mileage on his vehicle is , miles, but it is actually , miles, he has not committed any fraud. However, if a person later finds out that a statement he made to an insurer in the course of making a claim is false, when he did not know the statement was false at the time, he has a duty to inform his insurer of the mistake. The statement is made in connection with a claim or payment made or to be made under the terms of an insurance policy The false statement must have been made in support of, opposition to, or connection with a claim or payment made or to be made under an insurance policy. This can include a false or exaggerated claim made to an insurance company, a false statement made to a physician in connection with an insurance claim, or false statements made by medical providers to insurers about the services they performed. The statement is material In order for insurance fraud to exist, the false statement must be material, or important, to the insurance payment or claim. If a person tells a lie during the course of an insurance claim investigation, but it has no actual or potential bearing on the outcome of the investigation, he has not committed fraud. For example, a person making an insurance claim for a robbery at his business may claim to the insurer that his business received awards for excellent customer service, when in fact it has not. Although that person has told a lie to the insurer, he has not committed fraud because the statement about receiving awards is not material to his claim. Some common examples are explained below. This occurs when a person or business defrauds a health insurance provider. For example, a person might claim to have a false injury in order to obtain payments or prescription medication. This type of fraud also commonly occurs when health care providers, such as doctors or dentists, submit claims to a health insurance provider for procedures they did not actually perform. As well as being a crime in all fifty states, health care fraud is also illegal under federal law. This occurs when someone either exaggerates or fabricates a claim made to their automobile insurance provider. For example, a person may claim that the extent of damage that occurred in an automobile accident was greater than it actually was, in order to obtain a larger payment from the insurer. For example, a person who forges a death certificate of a family member in to obtain his life insurance payment has committed fraud. This is fraud concerning home, business, or other insurance policies covering real property land or buildings or personal property. A business owner who sets fire to his own business has committed this type of fraud. An owner of a valuable piece of jewelry may claim that the item was lost, in order to obtain a payment. Property insurance fraud may also include exaggerating the damages from a legitimate lossâ€”for example, a person who had a pipe burst in his home might claim damages in excess of those that actually occurred in order to obtain a larger payment than otherwise would be awarded. Soft fraud is usually considered a misdemeanor, punishable by fines, jail time of up to one year, community service, and probation. Hard fraud, on the other hand, occurs when a person either causes or fabricates a loss for the deliberate purpose of obtaining insurance payments. Hard fraud is almost considered a felony, punishable by strict penalties including the possibility of incarceration in state prison for a number of years. The penalties for insurance fraud vary widely depending on the state where the prosecution occurred, the amount of money fraudulently sought or obtained, and the criminal history of the defendant. For more information, see common crimes and their penalties by state. Getting Help If you are charged with insurance fraud, especially if you are facing felony charges, consider consulting a criminal defense attorney as early as possible in your case. An experienced attorney can help you understand the laws in your area, counsel you on defenses you may raise, explain your options, and inform you of your rights.

4: The Five Key Elements of Any Health Insurance Plan - San Tan Insurance

Elements of Insurance Contract are basically 2 types; (1) the elements of the general contract, and (2) the element of special contract relating to insurance. For different kinds of insurance policy; suitable and conditions are added which are called insurance contract clauses.

Historical background[edit] Most laws regulating the insurance industry in the U. Virginia , that United States Congress did not have the authority to regulate insurance under its power to regulate commerce. Supreme Court decisions broadened the interpretation of the Commerce Clause in various ways, so that federal jurisdiction over interstate commerce could be seen as extending to insurance. In March , the United States Congress expressly reaffirmed its support for state-based insurance regulation by passing the McCarranâ€"Ferguson Act [4] which held that no law that Congress passed should be construed to invalidate, impair or supersede any law enacted by a State regarding insurance. As a result, nearly all regulation of insurance continues to take place at the state level. Such regulation generally comes in two forms. First, each state has an "Insurance Code" or some similarly named statute which attempts to provide comprehensive regulation of the insurance industry and of insurance policies, a specialized type of contract. State insurance codes generally mandate specific procedural requirements for starting, financing, operating, and winding down insurance companies, and often require insurers to be overcapitalized relative to other companies in the larger financial services sector to ensure that they have enough funds to pay claims if the state is hit by multiple natural and man-made disasters at the same time. There is usually a Department of Insurance or Division of Insurance responsible for implementing the state insurance code and enforcing its provisions in administrative proceedings against insurers. Second, judicial interpretation of insurance contracts in disputes between policyholders and insurers takes place in the context of the aforementioned insurance-specific statutes as well as general contract law; the latter still exists only in the form of judge-made case law in most states. A few states like California and Georgia have gone farther and attempted to codify all of their contract law not just insurance law into statutory law. Early insurance contracts were considered to be contracts like any other, but first English see uberrima fides and then American courts recognized that insurers occupy a special role in society by virtue of their express or implied promise of peace of mind, as well as the severe vulnerability of insureds at the time they actually make claims usually after a terrible loss or disaster. In turn, the development of the modern cause of action for insurance bad faith can be traced to a landmark [5] decision of the Supreme Court of California: In other words, they contended that only intentional mistreatment of an insured should be actionable in bad faith, versus merely grossly negligent claim handling. Bad faith defined[edit] An insurance company has many duties to its policyholders. The kinds of applicable duties vary depending upon whether the claim is considered to be "first party" or "third party. Bad faith is a fluid concept and is defined primarily by court decisions in case law. Examples of bad faith include undue delay in handling claims, inadequate investigation, refusal to defend a lawsuit, threats against an insured, refusing to make a reasonable settlement offer, or making unreasonable interpretations of an insurance policy. In that case, the company is required to investigate the damage, determine whether the damage is covered, and pay the proper value for the damaged property. Bad faith can also arise in the context of first party coverage for personal injury such as health insurance or life insurance , but those cases tend to be rare. First, the insurance carrier usually has a duty to defend a claim or lawsuit even if some or most of the lawsuit is not covered by the insurance policy. Unless the policy is expressly structured so that defense costs "eat away" at the policy limits a so-called "self-consuming," "wasting" or "burning limits" policy , the default rule is that the insurer must cover all defense costs regardless of the actual limit of coverage. To defend meaningfully, the insurer must defend immediately. It cannot parse the claims, dividing those that are at least potentially covered from those that are not. This powerful bias in favor of finding coverage is one of the major innovations of U. Other common law jurisdictions outside of the U. Next, the insurer has a duty of indemnification , which is the duty to pay a judgment entered against the policyholder, up to the limit of coverage. Therefore, most insurance companies exercise a great deal of control over litigation. If the insurer breaches in bad faith its duties to defend, indemnify, and settle, it may be liable for the entire amount of any judgment obtained by a plaintiff against the policyholder, even if that amount is in excess of policy limits. This was the holding of the landmark Comunale case. Litigation[edit] U. Insurance policies in the U. This is allowed through two situations: The first situation is where an insured abandoned in bad faith by its liability insurer makes a special settlement agreement with the plaintiff. Sometimes this occurs after trial, where the insured has attempted to defend himself or herself by paying for a lawyer out of pocket, but went to verdict and lost the actual situation in the landmark Comunale case ; other times it occurs before trial and the parties agree to put on an uncontested show trial that results in a final verdict and judgment against the insured. For example, in Arizona, they are known as Damron agreements. Bad faith lawsuits may result in large awards of punitive damages. A famous example is State Farm Mutual Auto. Campbell , in which the U. Toxic mold is a common cause of bad faith lawsuits, with about half of the 10, toxic mold cases in being filed against insurance companies on bad faith grounds. Before the claims were uncommon, with relatively low payouts. Since then, Australian courts have consistently refused to judicially impose what Parliament did not legislatively impose, of which the most recent example was when the New South Wales Court of Appeal refused to adopt insurance bad faith in

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5: 5 Important Elements in Any Homeowner's Insurance Coverage | Finance - Zacks

An innovative Massachusetts insurance agency redefining the standards of professional service for home and auto insurance.

However, most policies contain a few common elements for full coverage. Buying complete coverage is essential when you invest significantly into a home. If you have a mortgage, your lender will require at least a basic level of structural coverage as well. Replacement and Repair Building coverage, the part of the policy that covers structures on the property, typically fits into two categories. Basic coverage pays for damages that result from various natural disasters stipulated within your policy. Replacement coverage is the most critical for your property as an asset. This is what pays for total replacement of the home if it is destroyed. Usually, replacement coverage is set for an amount above the market value to account for inflation of materials and labor costs to rebuild the house with similar finishes. With standard policies, agents often estimate an amount based on the home value, size of the property and number of rooms. Agents often ask, though, if you have expensive items such as jewelry and antiques that require higher levels of benefits. If your home is robbed or vandalized, contents coverage pays to replace lost valuables. If you have valuable art or several good pieces of jewelry, a separate rider or endorsement specific to those items may be in order, though it will bring an additional premium. Be prepared to supply a professional appraisal documenting the value of the items. Liability Liability insurance pays for injuries or property damage experienced by someone else on your property. If you have friends over for a meal and someone trips and falls down the stairs, your liability benefits pay for any medical and legal costs. As a safety net, some people buy additional protection or obtain a separate personal liability policy to better protect their assets in case of a lawsuit. Perils Every policy spells out which natural disasters and perils are covered. Among the common inclusions are fire and lightning, wind and hail, explosions, vehicle or airplane damage, falling objects. Depending on the insurer, coverage for water overflows from sprinklers, in-home water systems and frozen pipes may require a rider. Earthquakes, floods and hurricanes are not commonly included in basic policies. You can, however, pay additional premiums for benefits on these perils, though this can be expensive in areas on fault lines or in flood plains. Deductibles for these disasters are likely to be a percentage of the damage rather than the usual flat fee. Premiums A less homeowner-friendly element is the amount of premium you pay for the coverage benefits. Amounts vary by ZIP code, proximity to fire services, property value and features, such as a pool, fireplaces and walk-out basement. You can often save on premiums by purchasing auto and home plans from the same carrier, installing a security system or raising your deductible.

6: Insurance Contract: Elements and Clauses Insurance Contract (How it Works)

Definition of Insurance. Insurance is a contract either to indemnify against a loss which may arise upon the attachment of the risk which is insured against or to pay on the happening of some event, a sum of money to the person insured.

The policy can be assigned to anyone who may acquire an insurable interest in the subject- matter as soon as the assured parts with his interest. Cargo policy is freely assignable, and no notice thereof is essential to be given to the underwriter. But, in case of hull insurance die policy cannot be assigned freely, and the consent of underwriter is essential because the degree of risk of the subject- matter is materially changed when the management and ownership of the vessel are changed. Since the owner of cargo has no control over the cargo in transit, the blank endorsement may be permitted. But in hull insurance, specific endorsement of an assignment is essential. It is interesting to note that marine policy can be assigned even after h takes place, but the assignee does not get a better title than the assignor. However, where the assured has parted with his interest in the subject, matter insured and has not, before or at time of so doing, expressly or impliedly agreed to assign the policy and subsequent assignment of the policy is inoperative. Lost or Not Lost Clause The clause is as to be insured, lost or not lost. The policy was taken in good faith. The meaning of the clause is that the insurer insures the subject-matter irrespective of the fact that it has already been lost or not lost before the issue of the policy. It is taken in such a case where a merchant receives information of the shipment of his cargo very late after the sailing of the steamer and, therefore, when he submits the risk to the underwriter and effects insurance it was not known whether the subject- matter to be insured was lost or was not lost. It means that the insurer undertakes to indemnify the insured whether the subject matter before the date of issue of the policy was already lost or not. In this case, it is assumed that the assured and the underwriters are ignorant about the safety or otherwise of the subject- matter. The policy terminates if it is proved later on that one of the two parties was aware of the subject-matter at the time of loss. The introduction of this clause has a retrospective effect to provide for any loss which has occurred during the period from the date of shipment to the date of issue of policy. This clause was most prevalent in olden times when the media of communication were not developed so much. Now, the clause has lost much of its importance. At and From Clause This clause is applicable in voyage policies insuring hull, and freight. It determines the time when the actual risk commences. As soon as the ship will arrive at the port, the risk will commence. In voyage policy, if the ship is not at that place when the contract is concluded, the risk commences as soon as the ship arrives there in good safety. If the place of departure is specified by the policy, and the ship sails from another place than the specified one, the risk does not attach. Termination of Risk The wordings of policy, in this case, are as follows: The risk of landing within the reasonable time is permitted in most of the cases. But, where it is allowed with standard policy, clauses such as craft, lighters, etc. Warehouse to Warehouse Clause Underwriters are responsible for the risk commencing from the time of loading to the time of unloading the cargo. But, in certain cases, the risks are beyond these two limits, i. Thus, the risk of land, craft transport and transshipment are also covered under a single marine insurance policy. Sometimes, time-limit is also inserted in the policy, and the extra cost is required from the insured to cover the remaining voyage. But, where goods are willfully detained, the underwriter shall cease his liability. The clause has appeared in the Institute Cargo clause is as follows: The time limit referred to above to be from midnight of the day on which the discharge overside of the goods hereby insured from the overseas vessel is completed. Deviation Touch and Clauses The ship should not deviate from the course of the voyage described in the policy or where the course is not a specifically designated one, from the customary course. Any departure from the specified course or a customary course amounts to the deviation. A deviation is different from the change of voyage. In the latter case, the destination agreed upon is changed, while in the former case the destination is the same as agreed, but the course to it is deviated from. Once deviation has taken place the risk ceases to attach to the rest of the voyage even though loss has occurred after the vessel had reverted to the proper course. Where the ship deviates without lawful excuse, the underwriters are relieved of the liability as from the time of deviation. The fact that deviation did not increase the risk or that the ship regained her route before any loss occurred, would not amount to non-deviation. This clause applies only to voyage policies. In time policies, this clause does not apply. The deviation is excused under certain circumstances but it should be noted that the ship must resume her course and prosecute the voyage with reasonable dispatch. Deviation or delay is excused in the following cases: Where authorized by any special term in the policy. The special term must be incorporated in the policy. Underwriters are usually willing to extend the protection of the policies after charging an additional premium. Where deviation is caused by circumstances beyond the control of the master and his employer. Where deviation or delay is necessary to comply with an express or implied warranty. The deviation or delay is necessary for the safety of the ship or subject-matter insured. For, and for obtaining medical or surgical aid, deviation or delay is required. Where deviation is caused by the barratrous conduct of the master or crew if the barratry is one of the perils insured against. Touch and Stay It accords liberty to the vessel to touch and stay at any port, or place whatsoever. In the absence of the clause, the liberty to touch and stay at any port or place whatsoever does not authorize die ship to depart from the course of her Voyage from the port of departure to the port of destination. Where several ports are specified, the ship may touch or stay at all or any of them. In the absence of any usage or sufficient cause to the contrary, the ship must proceed to the designated ports. Following wordings are incorporated in the standard policy. Inchmaree Clause The clause protects the ship-owners against losses to be included in claims by the assured. The donkey pump of the steamer was damaged due to salt. The court decided that due to negligent, such losses were outside the scope of the insurance arid should not be covered by it. Hague Rules A Maritime Law Committee of the International Law Association sat at The Hague in and framed a set of rules regarding the rights and liabilities of cargo-owners and ship-owners in connection with Bills of Lading so that no complication may arise in settlement of claims. Running Down Clauses R. This clause is also called collision clause and is included in hull policies. It provides that the underwriter agrees to take upon the liability of the owner of the ship for damage done by his vessel to another vessel on collision to the extent of three-fourths of such liability. The underwriter will be responsible only when this clause is added in the policy. The assured himself has to bear one-fourth of the loss so that he may exercise greater care in the navigation of the vessel. In case the ship sinks in a collision and is held liable for the damage done to the other vessel, the underwriter may have to pay a total loss and a heavy claim under the R. The amount of damage extends to include damage done to other ship, her cargo and compensation for loss of employment in consequence of the collision. Sue and Labor Clause This clause reads as follows: Thus, it is the duty of the assured and his agents to act in such a way that they are uninsured and to take such measures as may be reasonable for the purpose of averting or minimizing loss or damage. This clause requires underwriters to pay any expenses properly incurred by the assured or his agents in preventing or minimizing loss or damage to the subject-matter. The reasonable expenditure is payable even though it may be, also, to the total loss. The essential features of Sue and Labor Charges are; The expenses must be incurred for the benefit of the subject-matter insured. If occurred for the common benefit they may become a part of the general average which is not recoverable under this clause. They must be reasonable. The clause excludes salvage charges. The expenses are incurred to avert or minimize a loss from a peril covered by the policy. Expenses incurred for the purpose of averting or diminishing any loss not covered by the policy are not recoverable under this clause. Reinsurance Clause The reinsurance clauseâ€¦. The reinsurer is liable only for claims for which the original underwriter is liable. If the reassured has paid a claim for which he is not legally liable under his policy, the reinsurer is under no obligation to reimburse him. The cost incurred by the original insurer in contesting liability under the original policy, need not be paid by the reinsurer. The reinsurance policy is closely linked with the original insurance and any alteration in the original policy must be agreed with the reinsurer. Memorandum Clause The memorandum clause reads as under: Continuation Clause This clause refers that the vessel shall continue to be covered even after completion of the voyage under the policy at a pro-rata premium to her port of destination provided previous notice was not given. Institute Cargo Clauses These clauses are used to cover various types of general merchandise involving transit by sea. The risks clauses, general average clause and collision clause are included in these clauses. Types of Insurance Contract Insurance may be defined as a contract between two parties whereby one party called insurer undertakes, in exchange for a fixed sum called premiums, to pay the other party called insured a fixed amount of money on the happening of a certain event. The insurance contract may be divided into two forms â€” first life insurance contract and second contract of indemnity. Occurring of Event The event, the death, in life insurance is certain, but the only uncertainty is the time when the death will occur. Therefore, in life insurance, ordinarily every piece will become a claim sooner or later but it is not certain in indemnity insurance. Subject-Matter The subject-matter in life insurance is life. Chances of death would increase along with the advance in age whatever precautionary measures may be taken for improvement of health whereas the property in other insurance can be repaired and replaced and may remain usually in good condition. Proximate Cause Principle of Insurance Variance in Premium In life insurance premium is not much variable whereas in other insurance premium is variable in numerous forms. Classification of Risk The classification of risks is generally simpler in life insurance than in other types of the insurance contract. In life contract, it would be standard, sub-standard and un-insurable but in other insurance, it may be several. Levels of Risks Period of Insurance Generally, the life insurance is taken for a longer period. Whereas the other forms of insurance are taken for not more than one two years. Utmost Good Faith in Insurance Protection and Investment The life insurance contract provides protection against loss of early death and investment to meet the old age requirement. Other forms of insurance do not provide investment because the premium paid is not returnable if the contingencies hazards do not occur within the period.

7: Welcome | Elements Insurance Agency

Â§ ELEMENTS OF AN INSURANCE CONTRACT A valid insurance contract requires both an offer and an acceptance. A blank application provided to the potential insured is.

Charlene Royston July 5, Source: Understanding the basic terms of an insurance contract will help you make an informed choice when buying a policy. A valid insurance contract is a legally binding document between you, or your business, and your insurance company. The many clauses in your contract clarify the terms, specify the risks, and describe the limits and period of coverage. Insurance contracts vary depending on your specific needs, the coverage , and the level of protection. There are, however, many key elements found across insurance contracts and we will define each of them briefly. You work with an agent or broker and provide the necessary information via their application form. You might have to pay your first premium before they will accept it, as is the case when you apply for property or liability insurance. Email Newsletter Join thousands receiving the latest content and insights on the insurance industry. Most of the time, the insurance agent can accept the offer for the company they represent. They issue a temporary contract, or binder , which activates your coverage immediately. After the company reviews your application, they issue a formal, detailed policy. If an agent cannot bind the insurance company, your application goes to the insurance company and you do not have coverage until acceptance. This might require making your first payment of your premium, such as when you apply for life insurance. Some companies also require a medical examination and will only activate coverage on the date you pass the exam. Legal Consideration Consideration is the agreed value between you and your insurance company. For you, it means you agree to abide by the contract and pay premiums. Competent Parties Only legally competent parties can enter into an insurance contract. This means you must be of legal age of majority, of sound mind, and not disqualified from the contract by law. The insurance company, on its end, must have a license to sell in your state and they must act according to the regulations that govern them. Free Consent Both parties must enter the contract without coercion, undue influence, fraud , misrepresentation , or mistake. Legal Purpose A legal and enforceable insurance contract must comply with the law of the land and public policy. Agreements for illegal purposes are not legally binding. Insurable Interest You have an insurable interest when you benefit from the existence of whatever you insure. Those who will not suffer a financial loss from an event do not have an insurable interest and cannot purchase an insurance policy to cover that event. Utmost Good Faith Utmost good faith applies to all insurance. It means both parties in the contract must disclose all the material facts without misrepresentation, non-disclosure, or fraud. Material Facts Material facts are the factors affecting risk. They provide the insurance company with the information they need to decide whether they should accept risk and, if so, on what terms. For life insurance, the material facts include age, occupation, health, and income. For property insurance, they include building construction, building use, age, and property location find out How Insurance Companies Calculate Your Home Insurance Premiums. Full and True Disclosure Full and true disclosure means parties should not conceal, misrepresent, or mistakenly or fraudulently report material facts. False statements, partial truths, or omissions are not permitted. Duty of Both the Parties Both parties have a duty to report material facts accurately. Principle of Indemnity Most insurance contracts are indemnity compensation contracts. You cannot, however, over-insure and make a profit from the loss. The insurance company only pays the actual cash value and you must prove you suffered a monetary loss. This principle discourages fraudulent activities and helps to maintain reasonable premium levels. Doctrine of Subrogation The doctrine of subrogation is the right of the insurance company to legally pursue a third party that caused your insurance loss. In other words, they step in to recover any amount they paid for your loss. Warranties Warranties are the conditions and promises in the insurance contract. They describe what will happen and the necessary conditions to trigger action. Conditions Countless conditions can affect a policy. Some healthcare policies, for example, require yearly medical exams and access to medical records. Most policies also describe territorial restrictions and premium details. If you fail to satisfy the conditions, you breach your contract and the insurance company is not obligated to pay. Breaches of contract can include failing to notify the insurer of any loss, failing to provide a required inventory, or failing to submit the required proof of a medical condition. Fortunately, most parties discharge an insurance contract at the end of its term. They switch providers, find a superior rate, or do not need coverage anymore. Limitations Limitations specify items such as the maximum amount that the insurance company will pay, restricted coverage under certain circumstances, or your time frame for filing a claim. They may also require you to submit your expenses within a year. Limitations can also include restricted coverage, such as prohibiting coverage if you are diagnosed with a pre-existing condition within six months of your policy start date. After six months, the coverage kicks in and covers your costs. Most policies also include restrictions that come into effect if you have more than one policy. Exclusions Exclusions are exceptions to the general statements in your policy. For instance, an automobile liability policy typically covers bodily injury or property damage when the insured are legally responsible for an accident. Other common exclusions in insurance contracts include epidemics, natural disasters , war, strikes, suicide, and acts performed with the intention of triggering a claim. Proximate Cause Proximate cause refers to the way the loss or damage actually occurred and whether it is a result of an insured peril. If insurance covers the cause of the event, the insurer will compensate for the loss. Return of Premium Ordinarily, insurance companies do not refund premiums. Summary Insurance contracts are carefully worded and usually standardized. They clarify coverage and they satisfy legal requirements. Your agent or broker can explain any unclear areas to you and advise you on the best course of action. Review your contract carefully before you sign, because it is a complex and legally binding document. Understanding the requirements and limitations of your insurance contract is vital to protecting your interests. Written by Charlene Royston Charlene is a seasoned freelance writer and small business owner. She has a strong background in finance, mortgages, real estate, hospitality, and marketing. Her clear, concise writing clarifies complex concepts making them accessible, understandable, and useful. Full Bio Related Articles.

8: Insurance bad faith - Wikipedia

In either system, your vehicle insurance policy includes several different elements. Personal Injury Protection for Medical Expenses Personal injury protection covers your medical expenses, lost wages, and other types of financial losses you suffer when injured in an auto accident.

Elements of Insurable Risks: Investopedia hosts articles from other investing and financial information publishers across the industry. While we do not have editorial control over their content, we do vet their articles to make sure they are suitable for our visitors. By Sean Ross August 26, â€" These elements are "due to chance," definiteness and measurability, statistical predictability, lack of catastrophic exposure, random selection and large loss exposure. Speculative Risk Insurance companies normally only indemnify against pure risks , otherwise known as event risks. A pure risk includes any uncertain situation where the opportunity for loss is present and the opportunity for financial gain is absent. Speculative risks are those that might produce a profit or loss, namely business ventures or gambling transactions. Speculative risks lack the core elements of insurability and are almost never insured. Examples of pure risks include natural events, such as fires or floods, or other accidents, such as an automobile crash or an athlete seriously injuring his or her knee. Most pure risks can be divided into three categories: Not all pure risks are covered by private insurers. Due to Chance An insurable risk must have the prospect of accidental loss, meaning that the loss must be the result of an unintended action and must be unexpected in its exact timing and impact. The insurance industry normally refers to this as "due to chance. It protects against intentional acts of loss, such as a landlord burning down his or her own building. Definiteness and Measurability For a loss to be covered, the policyholder must be able to demonstrate a definite proof of loss, normally in the form of bills in a measurable amount. If the extent of the loss cannot be calculated or cannot be fully identified, then it is not insured. Without this information, an insurance company can neither produce a reasonable benefit amount or premium cost. Statistically Predictable Insurance is a game of statistics, and insurance providers must be able to estimate how often a loss might occur and the severity of the loss. Losses that occur more frequently or have a higher required benefit normally have a higher premium. Life and health insurance providers, for example, rely on actuarial science and mortality and morbidity tables to project losses across populations. Not Catastrophic Standard insurance does not guard against catastrophic perils. There are two kinds of catastrophic risk. The first is present whenever all or many units within a risk group, such as the policyholders in that class of insurance, are all be exposed to the same event. Examples of this kind of catastrophic risk include nuclear fallout, hurricanes or earthquakes. The second kind of catastrophic risk involves any unpredictably large loss of value not anticipated by either the insurer or the policyholder. Perhaps the most infamous example of this kind of catastrophic event occurred during the terrorist attacks on Sept. Some insurance companies specialize in catastrophic insurance, and many insurance companies enter into reinsurance agreements to guard against catastrophic events. Investors can even purchase risk-linked securities, called "cat bonds," which raise money for catastrophic risk transfers. Randomly Selected and Large Loss Exposure All insurance schemes operate based on the law of large numbers. This law states there must be a sufficient large number of homogeneous exposures to any specific event in order to make a reasonable prediction about the loss related to an event. A second related rule is that the number of exposure units, or policyholders, must also be large enough to encompass a statistically random sample of the overall population. This is designed to prevent insurance companies from only spreading risk among those most likely to generate a claim, as might occur under adverse selection. Other Elements of Insurability There are other less significant or more obvious elements of an insurable risk. For example, the risk must result in an economic hardship, otherwise there is no reason to insure against the loss. The risk needs to be commonly understood between each party, which is also one of the basic elements of a valid contract in the United States. Trading Center Want to learn how to invest? Get a free 10 week email series that will teach you how to start investing. Delivered twice a week, straight to your inbox.

9: 7 Elements of Insurable Risk

Elements Property Insurance Company is pleased to offer you the convenience and ease of making secured online payments. Please be advised that making an online payment does not immediately change any disposition related to your account.

Premium should be economically feasible. These are explained below; 1. Large Numbers of Exposure Units The theory of insurance is based on the law of large numbers. Therefore the prime necessity for a risk to be insurable is that there must be a sufficiently large number of homogeneous exposures in order to combine losses that are reasonably predictable. Lost data can be compiled over time, and losses for the group as a whole can be predicted with some accuracy. Also, the probabilistic estimates used by the insurance company, by logic, assume a large number of units in a distribution and insurance products are priced accordingly. This means the loss should be definite as to cause, time, place, and amount. Life insurance in most cases meets this requirement easily. The cause and time of death can be readily determined in most cases, and if the person is insured, the face amount of the life insurance policy is the amount paid. The losses are fairly predictable and can be measured in money terms. Loss of peace of mind, tension etc. Or loss of life cannot be indemnified. Determinable Probability Distribution The probability distribution of happening of an adverse event if determinable. This condition is necessary to establish the free premium according to the theory of equivalence. If there is not determinable distribution, there is no question of issuing a cover by an insurance company. Calculable Chance of Loss A fourth requirement is that the chance of loss should be calculable. The insurer must be able to calculate both the average frequency and the average severity of future losses with some accuracy. This requirement is necessary so that a proper premium can be charged that is sufficient to pay all claims and expenses and yield a profit during the policy period. Certain losses, however, are difficult to insure because the chance of loss cannot be accurately estimated, and the potential for a catastrophic loss is present. Thus, without government assistance, these losses are difficult for private companies to insure. Fortuitous Loss The adverse event may or may not occur in future and once which the insurance company has not control. Naturally, if the event is non-random or the loss has occurred in the past, there is no question of insurance. Non-catastrophic Loss The losses should be non-catastrophic. Not all the units in a homogeneous group will be subject to an adverse event. This means that a large proportion of exposure units should not incur losses at the same time. As we stated earlier, pooling is the essence of insurance. If most or all of the exposure units in a certain class simultaneously incur a loss, then the pooling technique breaks down and becomes unworkable. Premiums must be increased to prohibitive levels, and the insurance technique is so long a viable arrangement by which losses of the few are spread over the entire group. In reality, however, this is impossible, because catastrophic losses periodically result from floods, hurricanes, tornadoes, earthquakes, forest fires, and other natural disasters. Catastrophic losses can also result from acts of terrorism. Premium Should be Economically Feasible It is the final requirement that the premium should be economically feasible. The insured must be able to pay the premium. In addition, for the insurance to be an attractive purchase, the premiums paid must be substantially less than the face value, or amount, of the policy. Since the insurance pool is structured to be sufficiently large, the price charged by the insurer for buying the risk is generally low. It should be sufficient to cause the rich for the insurer as well as viable for the insured.

ELEMENTS OF INSURANCE pdf

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