Glossary
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- **Insurance** - Social device for minimizing risk of uncertainty regarding loss by spreading the risk over a large enough number of similar exposures to predict the individual chance of loss.

- **Contingency** - An event may occur but that is not likely or intended possibility.

- **Motor/Vehicle Insurance** - It is fundamentally a contract between a vehicle owner and an insurance company in which individual pay a fixed amount (premium) for a policy that will give financial protection against losses if the insured vehicle is stolen or damaged.

- **Car** - A four wheeled motor vehicle which is usually propelled by an internal combustion engine.

- **Vintage Car** - Any car manufactured after 31-12-1940, but before 31-12-1970, is considered as a Classic Car by the Vintage and Classic Car Club of India.

- **Private Car** - Includes vehicles which are used for social, domestic & pleasure purpose & also for professional purposes (excluding the carriage of goods other than samples, goods) by an individual but not for any purposes in connection with motor trade.

- **Car Insurance** - It is insurance policy purchased for cars on financial protection against the physical damage from traffic collisions or legal liability raised on vehicle.

- **Light Vehicles Insurance** - The light motor vehicle is the means a transport vehicle or omnibus the gross vehicle weight of either of which or a motor car or tractor or road-roller the unladen weight of any of which, does not exceed 7,500 kilograms.
• **Heavy Vehicle Insurance** - The term heavy motor vehicle is heavy passenger motor vehicle means any public service vehicle or private service vehicle or educational institution bus or omnibus the gross vehicle weight of any of which, or a motor car the unladen weight of which, exceeds 12,000 kilograms.

• **Comprehensive Covers** - Natural and manmade calamities, such as lightning, floods, and so on, third party legal liability, collision and personal accidents. It doesn't cover normal wear and tear, depreciation etc.

• **Third Party** - Person mentioned in a contract but not a party to the contract. Third-party insurance, for example, gives the insured cover against claims made by a third party (who is not named in the policy and not a party to it).

• **Zero Depreciation Covers** - Under this cover, customer is covered for cost of depreciation on parts which otherwise gets deducted from claim settlement amount and has to be borne personally by customer.

• **Depreciations Cover** - A decrease in the value of property over a period of time due to wear and tear or obsolescence. Depreciation is used to determine the actual cash value of property at time of loss.

• **Insured Declared Valued** - All vehicles are insured at a fixed value called the Insured’s Declared Value (IDV).

• **Tariffs** - In insurance, it is a collective agreement by members to calculate and charge the same premium for a given risk or type of insurance.

• **No Claim Bonus** - It is discount on Own Damage Premium. An insured becomes entitled to NCB only at the renewal of a policy after the expiry of the full duration of 12 month, if there is no claim made or pending in the policy.

• **Accident** - An event or occurrence which is unforeseen and unintended.

• **Own Damage Claim** - Claims for accidental damages.

• **Owner Driver** - The owner of insured vehicle holding an effective driving license is termed as an owner driver.
- **PA Claims** - Personal accident claims for injury / death.

- **Coverage** - The scope of protection provided under a contract of insurance: any of several risks covered by a policy.

- **Deductible** - This is the amount that customers have to bear at the time of claim. This amount in first deducted from the total assessed payable claims amount and then the insurance company’s liability is determined.

- **Renewal** - Continuance of coverage under a policy beyond its original term by the insurer's acceptance of the premium for a new policy term.

- **Sum Insured** - It is the value of asset for which asset has been insured. It is the highest amount that will be paid by insurer under insurance policy.

- **Accessories Insurance** - The term generally refers to those parts which are directly supplied by the manufacturer along with the equipment /vehicle but which are not essential for the operation/running of the vehicle they are insured.

- **Premium** - This is the payment that a policyholder makes to an insurance company to obtain insurance cover.

- **Claim** - A demand made by the insured, or the insured's beneficiary, for payment of the benefits provided by the contract.

- **Maturity Date** - The date on which a policy term comes to an end.

- **Miscellaneous Liabilities** - These are incurred cost does not do not fall into any of the categories defined. It is accounts payable, accrued expenses, and short-term payable expenditures.

- **Subrogation** - The principle of subrogation provides that the insurers are entitled to succeed to the rights and remedies of the insured once the insurance company has undertaken to compensate for the losses of the insured and normally enforced through letter of subrogation in total loss and third party legal cases.

- **TPA** - Third Party Administrator. A TPA is a contractor that adjusts and administers insurance claims.
Driving License - Means the license issued by a competent authority under authorizing a person specified therein to drive.

Exclusions - This is referred to the risks and circumstances not covered by a policy. No claim will be entertained in case of losses arising out of such situations.

Arbitration - An alternative way of settling insurance disputes that would otherwise be settled in a court of law. The insurer and the aggrieved party agree upon a third person to look into the case and decide on the claim.

Cubic Capacity - The volumetric capacity of a vehicle. It is one of the variables that determine the premium payable to insure a vehicle. As the cubic capacity increases, so does the premium rate.

Agents - One, who solicits, negotiates or effects contracts of insurance on behalf of an insurer. His right to exercise various functions, his authority, and his obligations and the obligations of the insurer to the agent are subject to the terms of the agency contract with the insurer, to statutory law, and to common law.

Brokers - One who represents an insured in the solicitation, negotiation or procurement of contracts of insurance and who may render services incidental to those function. Broker may also be an agent of the insurer for certain purposes such as delivery of the policy or collection of the premium.

Endowment - A type of insurance policy which provides for the face amount stated in the contract to be payable in a fixed date or on the life insured's earlier death.

Exclusion - A condition under which the benefit is not paid is referred to as exclusion. This is to avoid any misunderstanding.

Indemnity - Restoration to the victim of a loss by payment, repair, or replacement.

Moral Hazard - A condition of morals or habits that increases the probability of loss from a peril. An extreme example would be an individual who previously burned his own property to collect the insurance.
- **Omnibus Clause** - An agreement in most automobile liability policies and some others that, by its definition of insured, extends the protection of the policy to others within the definition without the necessity of specifically naming them in the policy.

- **Indemnity** - Legal principle that specifies an insured should not collect more than the actual cash value of a loss but should be restored to approximately the same financial position as existed before loss.

- **Insurable Interest** - A condition in which the person applying for insurance and the person who is to receive the policy benefit will suffer an emotional or financial loss, if any untouched event occurs. Without insurable interest, an insurance contract is invalid.

- **Natural Calamities** - Consists of fire, explosion, self-ignition or lightning, earthquake, flood, typhoon, hurricane, storm, tempest, inundation, cyclone, hailstorm, frost, landslide, rockslide.

- **Man made Calamities** - Consists of burglary, theft, riot, strike, malicious act, and accident by external means, terrorist activity, and any damage in transit by road, rail, inland waterway, lift, elevator or air.

- **Spot Assistance/ 24x7** - It is instant claims assistance and SMS updates on your motor claim status through our 24x7 call-centers.

- **Toll Free** - It is telephone call in which the called party does not pay but the calling parties undertake the costs.

- **Car Model** - The car model is the specific name of the car. Eg; - Maker - Maruti company, Model - WagonR. Car.

- **Solvent Market** - Refers to the ability of a business market to pay its liabilities on time when they come due for payment.

- **Insurance Penetration** - It is the insurance premium as per cent of GDP of the country measures the level of insurance activity relative to the size of the economy.
Prudential Regulations - An appropriate legal framework for financial operations is a significant contributor to preventing or minimising financial sector problems.

Malpractices - Accusation of being careless or of breaking the law or the rules of their profession.

Grievances - An actual or supposed circumstance regarded as just cause for complaint.

Attributes - A characteristic of an object (Man. Thing, etc.)

Deregulations - The reduction or elimination of government power in a particular industry usually enacted to create more competition within the industry.

Detariffication - The act of removing the pricing regulations of an industry, set forth by tariffs created by a regulatory body.

Malicious Act - Having the nature of or resulting from malice, deliberately, harmful.

Equated Monthly Installment - A fixed payment amount made by a borrower to a lender at a specified date of each calendar month.

Voluntary Excess - This is the sum, that person agrees with their insurer, that person will pay for any claim you make against their policy, and insurer will be responsible for the rest. The amount will vary depending on individual insurer. person can keep their policy price down by agreeing to a larger voluntary excess though.