

**THE
INSURANCE
EXPERT**

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**INSURANCE
BROKER**

**GLOSSARY
OF TERMS
FOR HOME
INSURANCE**

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GLOSSARY OF TERMS FOR HOME INSURANCE

GLOSSARY OF TERMS FOR HOME INSURANCE

This comprehensive compilation of terms aims to provide you with a clear and concise understanding of the key concepts and terminology related to home insurance. Whether you're a homeowner, tenant, or simply seeking to enhance your knowledge of home insurance in Ireland, this glossary will serve as a valuable resource.

Within these pages, you will find brief and to-the-point explanations of essential terms used in the realm of home insurance. From coverage types and policy components to common industry jargon, our glossary is designed to demystify the complexities of home insurance and empower you to make informed decisions.

Navigating the world of home insurance can be overwhelming, but with this glossary at your disposal, you will gain a solid grasp of the fundamental concepts. Whether you're seeking clarification on building insurance, contents coverage, liability protection, or any other aspect of home insurance, you will find succinct definitions that will guide you in understanding the intricacies of your policy.

By familiarising yourself with these key terms, you can confidently communicate with insurance professionals, comprehend policy documents, and ensure that you have the appropriate coverage to safeguard your home and belongings. From premiums and deductibles to claims and endorsements, this glossary will help you navigate the nuances of home insurance with ease.

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TERM	DEFINITION
Accidental damage:	Unintentional harm or destruction to your property or belongings caused by sudden and unforeseen events, typically covered by home insurance.
Act of God:	An event caused by natural forces, such as a storm or earthquake, that is beyond human control and not preventable, usually excluded from standard insurance coverage.
Additional premium:	Extra amount paid on top of the base premium to include specific additional coverage or higher policy limits.
Agent:	An individual or entity authorised to sell and service insurance policies on behalf of an insurance company.
Aggrieved party:	The party who has suffered harm or loss and seeks compensation or resolution in an insurance claim.
Alternative accommodation:	Temporary housing arrangements provided by the insurance company when your home becomes uninhabitable due to covered damage, ensuring you have a place to stay during repairs.
Annual premium:	The total amount you pay for insurance coverage for a one-year policy period.
Arbitration:	A process of resolving disputes between the insurance company and policyholder through a neutral third party, often used when there is a disagreement regarding claim settlements or coverage.
Arson:	The intentional act of setting fire to a property, which is considered a criminal offense and typically not covered by home insurance policies.
Auto renewal:	The automatic renewal of an insurance policy for another term without the need for the policyholder to take explicit action unless they decide to cancel or make changes.
Average clause:	A provision in an insurance policy that reduces the claim payout if the insured property is underinsured, based on the proportion of the shortfall in coverage.
Broker:	An intermediary who connects insurance buyers with insurance providers, assisting in the placement of insurance policies and offering advice on coverage options.
Buildings insurance:	Insurance coverage that protects the physical structure of a property, including the walls, roof, and permanent fixtures, against specified risks such as fire, storms, or vandalism.
Business day:	A day on which normal business operations take place, typically excluding weekends and public holidays, and often used for determining deadlines or timeframes within insurance policies.
Business equipment:	Tangible property used for business purposes, such as machinery, tools, computers, or furniture, which may require separate or additional coverage under a home insurance policy.
Cancellation Clause:	A provision in an insurance policy that outlines the conditions and terms under which either the insured or the insurer can terminate the policy before its expiration date.

Caravan cover:	Insurance coverage specifically designed to protect caravans and provide financial compensation for damage, theft, or other perils associated with owning a caravan.
Cause of damage:	The event, circumstance, or factor that directly leads to the damage or loss of property, which is considered when assessing an insurance claim.
Certificate of insurance:	A document that serves as proof of insurance coverage, typically provided by the insurance company to the policyholder, detailing the key information about the policy.
Claim:	A formal request made by the policyholder to the insurance company, seeking financial compensation for a covered loss or damage.
Claimant:	The person or entity making a claim for compensation from the insurance company for a covered loss or damage.
Claims experience:	The historical record of insurance claims filed by the policyholder, often considered by insurance companies when determining premiums or renewing policies.
Claims history:	A documented record of the past claims filed by the policyholder, which can impact future insurance coverage and premium rates.
Combined cover:	A type of insurance policy that bundles multiple coverages, such as buildings and contents insurance, into a single policy for convenience and potentially cost savings.
Commission:	The compensation or fee received by insurance agents or brokers for selling insurance policies on behalf of insurance companies.
Common law:	The body of legal principles derived from court decisions rather than statutes, which may be relevant in interpreting insurance policy terms and resolving disputes.
Consequential loss:	Indirect or secondary losses that result from the primary damage or loss covered by an insurance policy, such as loss of business income due to property damage.
Consideration:	The payment of a premium and other obligations exchanged between the policyholder and the insurance company, which forms the basis of a legally binding insurance contract.
Contents:	Refers to the personal belongings and possessions within your home, such as furniture, appliances, electronics, and other movable items, which can be covered under a home insurance policy.
Contract:	A legally binding agreement between the insurance company and the policyholder that outlines the terms, conditions, and obligations of the insurance coverage.
Conviction:	A formal legal finding of guilt or responsibility for a criminal offense, which may impact insurance coverage or premiums, especially if the offense is related to fraud or dishonesty.
Cooling off period:	A specified period of time after purchasing an insurance policy during which the policyholder can cancel the policy without penalty and receive a full or partial refund of premiums paid.
Cover note:	A temporary document issued by the insurance company as proof of insurance coverage until the formal policy documents are issued.

Days of grace:	A specified number of additional days granted by the insurance company beyond the due date for premium payment, during which the policy remains in force even if the premium has not been paid.
Decline:	When an insurance company refuses to provide coverage for a specific risk or application, usually due to underwriting considerations or the risk being outside the scope of coverage.
Deductible:	The amount of money that the policyholder is responsible for paying out of pocket before the insurance company begins to cover the remaining costs of a claim.
Duty of disclosure:	The obligation of the policyholder to provide accurate and complete information about the risks to be insured when applying for insurance, ensuring transparency and fairness in the insurance contract.
Effective date:	The date on which an insurance policy becomes active, and coverage begins, as specified in the policy documents.
Endorsement:	An amendment or addition to an existing insurance policy that modifies or extends its coverage, terms, or conditions.
Escape of water:	The unintentional release or leakage of water from a plumbing system, appliances, or pipes, which can lead to water damage in the home and may be covered under home insurance policies.
Excess:	The portion of an insurance claim that the policyholder is responsible for paying out of pocket before the insurance coverage applies.
Exclusion:	A specific circumstance, event, or peril that is not covered by an insurance policy, meaning the policyholder would not be eligible for a claim related to that particular exclusion.
Flood:	The overflowing or inundation of water onto normally dry land, often caused by heavy rain, melting snow, or overflowing rivers, which can cause significant damage to properties and may require separate flood insurance coverage.
Franchise:	Also known as a deductible, it is the specified amount or percentage of the claim that the policyholder is responsible for paying before the insurance coverage kicks in.
Fraud:	Intentional deception or misrepresentation of information with the aim of obtaining financial gain or benefits fraudulently, which is a serious offense and can lead to denial of insurance claims or policy cancellation.
Freezer cover:	Insurance coverage specifically designed to protect the contents of a freezer or refrigerator in the event of a power outage or mechanical breakdown leading to spoilage of stored food items.
Garden cover:	Coverage that extends to protect structures, plants, furniture, and other items located within the garden area of the insured property.
Good state of repair:	Refers to the condition of the property or its components being well-maintained and in proper working order, which is often a requirement for obtaining insurance coverage.
Gross premium:	The total amount of premium charged for an insurance policy before any deductions or adjustments.
Hazard:	A potential source of risk or danger that could cause damage to the insured property, such as fire, theft, or natural disasters.

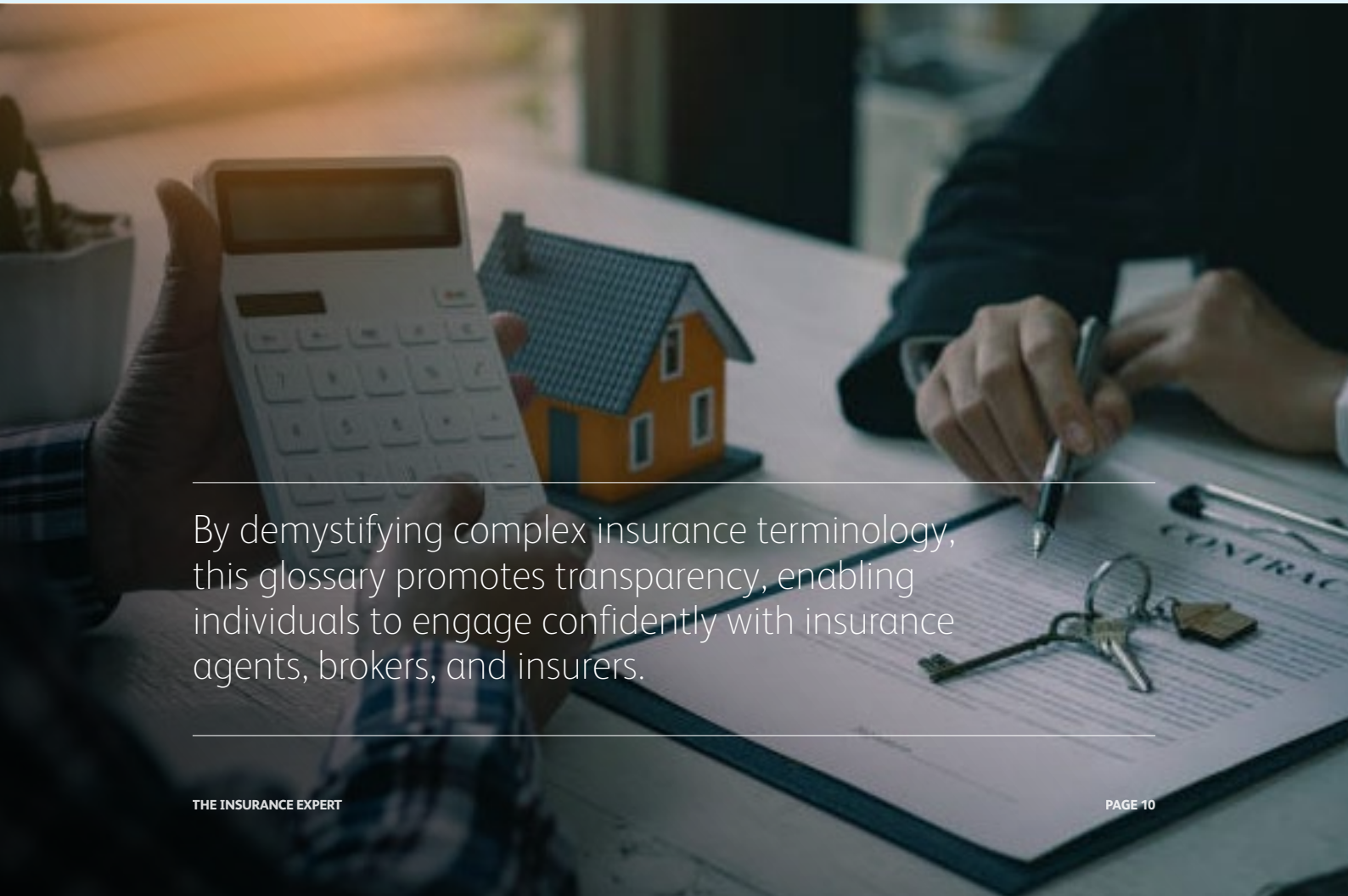
Heave:	The upward movement or displacement of the ground or property caused by factors like soil expansion, contraction, or changes in moisture levels, which can lead to structural damage and may be covered under specific insurance policies.
High-risk items:	Valuable possessions or items that are prone to being lost, stolen, or damaged, such as jewellery, artwork, or electronic equipment, often requiring separate coverage or additional endorsements.
Holiday home insurance:	Insurance coverage specifically tailored for properties used as vacation homes or secondary residences, offering protection against risks associated with such properties.
Home rescue service:	An optional service offered by insurance providers that provides assistance and coverage for emergency home repairs, such as plumbing or electrical issues, to ensure the habitability and security of the insured property.
Inception date:	The date on which an insurance policy becomes effective, and coverage starts.
Indemnity:	The principle in insurance where the policyholder is restored to the same financial position they were in before the loss or damage occurred, aiming to provide compensation rather than profit.
Insurable interest:	A financial or legal interest in the property or person being insured, where the policyholder would suffer a financial loss if the insured property or person were to experience damage, loss, or harm.
Insurance:	A contractual arrangement in which an insurance company provides financial protection or compensation for specified risks, in exchange for the payment of premiums.
Insured:	The individual or entity covered by an insurance policy, typically the owner of the property or person named in the policy.
Insurer:	The insurance company or provider that issues the insurance policy and assumes the risk of financial loss in exchange for receiving premiums.
Interested party:	A person or entity, other than the policyholder or insurer, who has a legal or financial interest in the subject matter of the insurance policy and may be entitled to certain rights or benefits.
Joint proposer:	Two or more individuals who jointly apply for an insurance policy, sharing the responsibility and ownership of the policy.
Jury service:	The civic duty of serving on a jury in a court of law, and some insurance policies may provide coverage or compensation for loss of earnings or expenses incurred during this service.
Landlord insurance:	Insurance coverage specifically designed to protect properties that are rented out to tenants, providing coverage for risks associated with property damage, liability, and loss of rental income.
Landslip:	The movement or displacement of land or soil, often due to natural causes like erosion, which can lead to property damage and may require specific coverage under a home insurance policy.
Lapse:	The termination or expiration of an insurance policy due to non-payment of premiums or failure to renew the policy.
Legal protection:	An optional coverage offered in insurance policies that provides legal assistance and financial support for legal expenses associated with disputes or legal actions.

Liability:	Legal responsibility or obligation for one's actions or negligence, often referring to the financial compensation that may be required to be paid to others for injury, damage, or loss caused by the insured.
Loading:	An additional charge or increase in premium applied by the insurer to reflect higher risk factors associated with the insured property or individual.
Loss:	The occurrence of damage, destruction, or reduction in value of the insured property or loss of property itself, leading to a claim for compensation under the insurance policy.
Loss adjuster:	A professional appointed by the insurance company to assess and evaluate the value of a claim, determining the extent of loss or damage and the appropriate compensation.
Loss assessor:	A professional appointed by the policyholder to independently assess and evaluate the value of a claim on their behalf, particularly in complex or disputed claims.
Managing general agent (MGA):	A third-party entity authorised by an insurer to manage certain aspects of the insurance business, such as underwriting, policy issuance, and claims handling, on their behalf.
Market value:	The estimated current value of a property or belongings in the open market, often used as a basis for determining the appropriate coverage amount in a home insurance policy.
Material fact:	A significant piece of information that would influence the insurer's decision to provide coverage or affect the terms and conditions of the insurance policy.
Midterm alteration (MTA):	A change or modification made to an existing insurance policy during the policy term, such as updating coverage limits, adding, or removing coverage, or changing policy details.
Moral hazard:	The increased risk of loss or damage due to the policyholder's behaviour, attitude, or actions that indicate a lack of care or responsibility, potentially affecting insurance coverage or premiums.
Negligence:	Failure to exercise reasonable care or fulfil a duty of care, resulting in damage, injury, or loss to others, which may lead to liability claims under a home insurance policy.
Net Premium:	The amount of premium paid by the policyholder after deducting any commissions, fees, or other expenses.
New for old:	A coverage provision that replaces damaged or stolen items with new equivalents, without considering their depreciated value, providing full compensation for the current market value of the items.
Non-disclosure:	Failure to provide relevant and material information to the insurer during the application process, which can lead to the cancellation of the policy or denial of a claim if the non-disclosed information affects the coverage.
Non-standard construction:	Refers to properties that deviate from traditional or standard construction methods, materials, or design, such as properties with thatched roofs or timber frames, which may require specialised or separate insurance coverage.
Optional extra:	Additional coverage or benefits that can be added to a basic insurance policy at an extra cost, providing enhanced protection beyond the standard coverage.

Over insured:	When the coverage amount or sum insured for a property or belongings exceeds their actual value, potentially resulting in paying higher premiums than necessary.
Peril:	An event or circumstance that causes or may cause damage or loss to the insured property, such as fire, theft, storm, or vandalism, which are covered risks under the insurance policy.
Period of insurance:	The specific duration or timeframe for which the insurance policy provides coverage, typically specified in the policy documents.
Personal belongings:	Refers to the items owned by the insured individual that are not considered part of the structure of the home, such as clothing, electronics, furniture, and other movable possessions.
Policy:	A legal contract between the insurer and the policyholder that outlines the terms, conditions, and coverage provided by the insurance company.
Policy cancellation:	The termination of an insurance policy before its expiration date, either by the insured or the insurer, resulting in the cessation of coverage.
Policyholder:	The individual or entity that owns the insurance policy and is entitled to the benefits and protection provided by the policy.
Policy suspension:	A temporary halt or pause in the coverage provided by an insurance policy, often due to non-payment of premiums or specific circumstances outlined in the policy terms.
Premium:	The amount of money paid by the policyholder to the insurance company in exchange for the insurance coverage provided by the policy.
Proposal form:	A document completed by the applicant seeking insurance, containing relevant information about the risk to be insured, which is used by the insurance company to assess the risk and determine the terms and premium for the policy.
Proximate clause:	A provision in an insurance policy that determines the cause of loss or damage, considering the direct and immediate cause rather than remote or indirect causes.
Public liability:	Coverage that protects the policyholder against legal liability for injury or damage caused to third parties or their property while on the insured property or as a result of the insured's actions.
Quotation:	An estimate provided by the insurance company to the prospective policyholder, outlining the coverage, terms, and premium for the insurance policy based on the information provided.
Rate:	The price per unit of coverage, often expressed as a cost per thousand units of coverage or as a percentage of the sum insured.
Reinstatement of cover:	The restoration or resumption of insurance coverage after a policy has been cancelled or expired, typically requiring payment of outstanding premiums or meeting specific conditions.
Reinstatement value:	The amount of money required to repair or replace damaged property with new property of the same kind and quality, without deducting any depreciation.
Renewal:	The restoration or resumption of insurance coverage after a policy has been cancelled or expired, typically requiring payment of outstanding premiums or meeting specific conditions.

Renewal premium:	The amount of money due for the extension or renewal of an insurance policy, typically paid by the policyholder to maintain coverage for the upcoming policy period.
Risk:	The chance or probability of loss, damage, or injury occurring as a result of a specific event or circumstance, which is assessed by the insurance company to determine the premium and terms of coverage.
Schedule:	A document that accompanies the insurance policy, providing detailed information about the insured property, coverage limits, deductibles, endorsements, and other policy-specific details
Settlement:	The process of resolving an insurance claim by reaching an agreement between the insurer and the policyholder on the amount of compensation to be paid for a covered loss or damage.
Specified risk:	A specific event or circumstance that is specifically mentioned and covered in the insurance policy, often subject to specific terms, conditions, or limitations.
Statement of fact:	A document or form completed by the policyholder or applicant that provides accurate and factual information about the insured property or individual, which helps the insurer assess the risk and determine appropriate coverage and premiums.
Subrogation:	The legal right of the insurance company, after settling a claim and compensating the policyholder, to pursue legal action or recover the amount paid from a third party responsible for the loss or damage.
Subsidence:	The gradual or sudden sinking, settling, or downward movement of the ground beneath a property, which can cause structural damage and may require specialised coverage under a home insurance policy.
Sum insured:	The maximum amount of coverage or the agreed-upon value specified in the insurance policy, representing the highest amount the insurance company will pay for a covered loss or damage.
Trace & excess:	A term often used in relation to water damage claims, where insurers cover the cost of locating the source of a leak or water escape but require the policyholder to cover the cost of repairing the damage caused by the leak.
Underinsurance:	A situation where the sum insured or coverage limit chosen by the policyholder is less than the actual value or replacement cost of the insured property, potentially resulting in partial compensation in the event of a claim.
Underwriter:	An individual or company responsible for evaluating the risks associated with insurance policies, determining the terms, conditions, and premiums of coverage, and accepting or rejecting insurance applications.
Unoccupied property insurance:	Insurance coverage specifically designed for properties that are vacant or unoccupied for an extended period, providing protection against risks associated with unoccupied properties, such as vandalism or damage.
Unspecified all risks:	Coverage that extends to protect personal belongings or valuables against a wide range of risks or perils, unless specifically excluded in the insurance policy.
Utmost good faith:	A fundamental principle in insurance that requires both the insurer and the policyholder to disclose all relevant information truthfully and honestly during the application process, ensuring transparency and fairness in the insurance contract.

Valuables:	Items of high worth, often including jewellery, precious metals, artwork, antiques, or other high-value possessions that may require separate coverage or specific endorsements in a home insurance policy.
Valuation:	The process of determining the value or worth of a property or belongings, often conducted by a professional appraiser or surveyor, which helps determine the appropriate sum insured or coverage limit.
Voidance:	The cancellation or invalidation of an insurance policy from its inception, typically due to misrepresentation, non-disclosure, or breach of policy terms by the policyholder.
Voluntary excess:	The amount of deductible or excess voluntarily chosen by the policyholder to pay out of pocket in the event of a claim, often in exchange for lower premiums.
Warranty:	A specific condition or requirement stated in the insurance policy that must be fulfilled by the policyholder to maintain coverage or to ensure the validity of the policy.
Wear & tear:	The gradual deterioration or damage to property or belongings due to normal usage, aging, or exposure to natural elements, which is generally not covered under standard home insurance policies.
Year of build:	The year in which the property or building was constructed, often used as a factor in determining the risk and premium for home insurance coverage.

A photograph showing a person's hands using a calculator on a desk. In the background, there is a small model of a house and a contract document with a pen and keys resting on it. The scene is dimly lit, suggesting an office or home setting.

By demystifying complex insurance terminology, this glossary promotes transparency, enabling individuals to engage confidently with insurance agents, brokers, and insurers.

CONCLUSION:

In conclusion, this glossary of home insurance terms provides a concise and comprehensive resource to navigate the intricacies of home insurance in Ireland. Whether you're a policyholder, an insurance professional, or simply seeking a better understanding of home insurance terminology, this glossary serves as a valuable reference tool.

From basic definitions like "policy" and "premium" to more specific concepts such as "subsidence" and "reinstatement value," each term has been explained in short and to-the-point sentences, ensuring clarity and ease of comprehension.

Understanding these terms is crucial for making informed decisions when purchasing or managing home insurance policies. It empowers policyholders to assess their coverage needs accurately, comprehend policy terms and conditions, and navigate the claims process effectively.

By demystifying complex insurance terminology, this glossary promotes transparency, enabling individuals to engage confidently with insurance agents, brokers, and insurers. It also emphasises the importance of utmost good faith, disclosure, and compliance with policy terms to maintain a successful insurance relationship.

We hope that this glossary proves valuable and empowers you to make informed decisions about your home insurance coverage. Remember, a well-informed policyholder is better equipped to protect their home, belongings, and financial well-being.

Please note that this glossary is not exhaustive and is intended for informational purposes only. For a complete understanding of your home insurance policy, always refer to your specific policy documents and consult with qualified insurance professionals.

What is an Insurance Broker?

It is always best to talk to an Insurance Broker who is your local expert in the market and will always put your interests first. An Insurance Broker will help you decide what kind of insurance cover you need and help you to choose the right provider to meet your requirements at the most reasonable cost. They work for you, not the insurance company. You can therefore be sure of impartial advice at all times, a choice of products, and a helping hand. Insurance Brokers offer the highest professional standards and financial integrity, and always place the interests of their clients first, and are regulated by the Central Bank of Ireland.

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While every effort has been made to provide accurate and up-to-date definitions in this glossary of home insurance terms, it is important to note that these definitions are general and may not align precisely with the specific wording and conditions of individual home insurance policies.

The definitions provided in this glossary are intended to serve as a helpful guide and reference point, offering a general understanding of common home insurance terminology. However, they should not be relied upon as a substitute for reading and understanding the specific provisions and clauses contained within your policy.

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