

Glossary of Insurance Terms

All Risks

Cover for buildings and/or contents for all perils including accidental damage, which is not covered by a fire and special perils policy. This cover can be extended to cover theft.

Business Interruption and/or Additional Expenses

This is an extension to a Fire or Fire and Special Perils policy and covers losses incurred in continuing to carry on business following damage by any of the perils covered on the main Fire policy (see before).

Business Travel

Normal travel insurance package of personal accident, loss of baggage, medical expenses for Members and Staff travelling overseas on official County business.

The policy does not apply to school trips; the school is expected to arrange travel insurance when making the arrangements for the trip or alternatively arrange cover through Derbyshire School Association for Environmental Education (formerly the Derbyshire School Journey Association).

Cash in Transit / Money

Various limits relating to cash in transit, in safes, locked cupboards, staff dwellings. Nowadays this cover is usually included in the main property policy.

Computer

Covers loss of or damage to computer installation plus sections for Loss of Data and Additional Expenses incurred following a loss.

Deductible / Retention

A type of excess that is borne by the policyholder in the event of a claim but is usually a substantial sum in return for cheaper premiums.

Employer's Liability

Covers the Council against its legal liability for bodily injury, illness or disease suffered by any person under a contract of employment, service or apprenticeship with the Council, arising out of, and in the course of, their employment.

Engineering Inspection

Inspection contract in respect of items of equipment requiring inspection, under statute, by a "competent person", e.g. lifts, pressure vessels, air receivers. The insurers engineers carry out non-destructive testing and issue certificates in a form prescribed.

Engineering Insurance

Covers fragmentation and damage to surrounding property.

Excess

An amount that must be borne by the policyholder in the event of a claim. The insurer will make a payment over and above this amount up to the limit of indemnity.

Fidelity Guarantee (legal requirement for Local Authorities)

Protects the Council in respect of losses incurred as a result of fraud or dishonesty by a member of staff.

Fire / Fire & Special Perils / Material Damage or Property

Cover for buildings and/or contents that can be limited to Fire, or Fire, Lightning, Explosion, Aircraft, and Earthquake (i.e. Catastrophe perils) or may extend to other perils such as storm, tempest, flood, impact, malicious damage, theft etc.

Land Charges

Indemnifies the Council in respect of claims from third parties who suffer financial loss as a result of errors and omissions arising out of information given in response to Local Authority searches.

Legal Liability / Public Liability / Third Party

Cover in respect of claims from third parties where, following an accident, they have sustained damage to property or injury, illness or disease as a result of the alleged negligence of the Council, its staff or volunteers arising out of the Council's normal functions.

Libel and Slander

Covers claims from third parties in respect of libels published, or slanders, uttered by members of staff, during the course of their duties on behalf of the Council.

Limit of Indemnity

The maximum amount that the insurer will pay in the event of one claim and/or in the aggregate if there are a number of claims during the period of the policy.

Motor

Sections include:

- (a) Third Party Injury / Death (Compulsory under the Road Traffic Acts)
- (b) Damage to third party property (Compulsory under the Road Traffic Acts)
- (c) Damage to the insured vehicle (comprehensive cover only – not compulsory)
- (d) Limited personal accident cover for drivers and passengers.

Official's Indemnity

This is also known as errors and omissions insurance. It is the Local Government equivalent of Professional Indemnity insurance and covers claims from third parties who have sustained financial loss as a result of the Council's negligence in the performance of its normal functions.

Personal Accident

Covers death or serious injury to the insured persons. Some policies also pay weekly benefits for a period of to 104 weeks following the accident.

There is no need to establish legal liability for payments to be made.

Product Liability

Covers claims from third parties arising from accidents involving death or injury to persons, and/or damage to property where it is alleged that the accident was as a result of a defect or failure of goods supplied to the third party.

Professional Indemnity

This provides a combination of the cover provided by the public liability and officials indemnity policies but it operates only in respect of activities where the Council is providing professional advice or services to third parties, where a fee is, or could be, charged.

Terrorism Buy Back

Since 1 January 2003 fire policies exclude terrorism and now cover is available as an 'add on' to the existing policy for an additional premium.