

# Insurance Handbook for Reporters

What journalists need to  
know about insurance





Insurance  
Information  
Institute

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## To the Reader

For reporters covering the insurance industry many things have changed since the Insurance Information Institute (I.I.I.) published its first Handbook for Reporters in 1993.

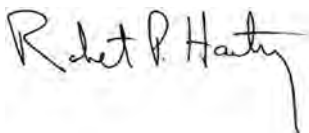
Stories about insurance, once relegated to the back pages of the business section, now often appear prominently, even on the front page, as readers become more concerned about personal finance issues and about having enough insurance in the event of a major hurricane or other catastrophe. Readers are also more sophisticated today. They want to know what's behind current events and trends. They also are increasingly savvy in accessing their news in a variety of ways, from newspapers to Web sites to podcasts.

Over the past 15 years insurers have become part of a much broader industry—financial services—and many companies have expanded their product lines. Long a primary source of information, analysis and referral on property/casualty insurance issues, the I.I.I. has broadened its reach. Today, the I.I.I. is also a leading source for clear, comprehensive information on annuities, retirement and other life/health insurance concerns.

To make the reporter's job easier, we have greatly expanded the Handbook. We have added a section with basic information on the various types of insurance, including auto, home, life, annuities and long-term care. The glossary section contains over 500 entries, including over 100 life insurance definitions provided by LOMA, a worldwide association of life and financial services companies. The directory of organizations section provides a comprehensive listing of sources for information on a wide variety of topics and issues, ranging from disaster mitigation to insurance fraud to workers compensation.

The Handbook is designed to be used in conjunction with the Institute's other information resources: our Web site ([www.iii.org](http://www.iii.org)), which provides comprehensive information on all aspects of insurance, and our various publications, including the Insurance Fact Book, the Financial Services Fact Book and A Firm Foundation: How Insurance Supports the Economy.

Media representatives may obtain free copies of all three books by calling the I.I.I. at 212-346-5500.



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## Insurance Basics

### Overview

There are three main types of insurance. Property/casualty consists mainly of auto, home and commercial insurance. Life/health consists mainly of traditional life insurance and annuity products. Both of these sectors include some health insurance. The third sector, health insurance, includes products from private health insurers, as well as government programs.

### Regulation

Insurance is regulated by the states, with each state having its own set of statutes and rules. State insurance departments oversee insurer solvency, review market conduct, rule on requests for rate increases for coverage, among other things. The National Association of Insurance Commissioners develops model rules and regulations for the industry, many of which must be approved by state legislatures before they can be implemented.

The McCarran-Ferguson Act, passed by Congress in 1945, provides the insurance industry with a limited exemption to federal antitrust laws, allowing certain activities such as joint development of common insurance forms. The act confirms state regulation of the insurance industry as being in the public interest. However, there have been challenges to state regulation, including proposals for a federal role in creating a more uniform system and allowing insurers the choice of a federal or state charter similar to banks.

### Accounting

Insurers are required to use statutory accounting principles (SAP) when filing annual financial reports with state regulators and the Internal Revenue Service. The SAP system is more conservative than generally accepted accounting principles (GAAP), as defined by the Financial Accounting Standards Board. GAAP standards are widely used by most other industries in the United States.

## Auto Insurance Basics

Auto insurance is a contract between the policyholder and the insurance company. The policyholder agrees to pay the premium and the insurance company agrees to pay losses as defined in the policy.

Auto insurance provides property, liability and medical coverage:

- Property coverage pays for damage to, or theft of, the car.
- Liability coverage pays for the policyholder's legal responsibility to others for bodily injury or property damage.
- Medical coverage pays for the cost of treating injuries, rehabilitation and sometimes lost wages and funeral expenses.

Most states require drivers to have auto liability insurance before they can legally drive a car. (Liability insurance pays the other driver's medical, car repair and other costs when the policyholder is at fault in an auto accident.) All states have laws that set the minimum amounts of insurance or other financial security drivers have to pay for the harm caused by their negligence behind the wheel if an accident occurs. Most auto policies are for six months to a year. A basic auto insurance policy is comprised of six different kinds of coverage, each of which is priced separately (*see below*).

### 1. Bodily Injury Liability

This coverage applies to injuries that the policyholder and family members listed on the policy cause to someone else. These individuals are also covered when driving other peoples' cars with permission. As motorists in serious accidents may be sued for large amounts, drivers can opt to buy more than the state-required minimum to protect personal assets such as homes and savings.

### 2. Medical Payments or Personal Injury Protection (PIP)

This coverage pays for the treatment of injuries to the driver and passengers of the policyholder's car. At its broadest, PIP can cover medical payments, lost wages and the cost of replacing services normally performed by someone injured in an auto accident. It may also cover funeral costs.

### 3. Property Damage Liability

This coverage pays for damage policyholders (or someone driving the car with their permission) may cause to someone else's property. Usually, this means damage to someone else's car, but it also includes damage to lamp posts, telephone poles, fences, buildings or other structures hit in an accident.

### 4. Collision

This coverage pays for damage to the policyholder's car resulting from a collision with another car, object or as a result of flipping over. It also covers damage caused by potholes. Collision coverage is generally sold with a deductible of \$250 to \$1,000—the higher the deductible, the lower the premium. Even if policyholders are at fault for an accident, collision coverage will reimburse them for the costs of repairing the car, minus the deductible. If the policyholder is not at fault, the insurance

company may try to recover the amount it paid from the other driver's insurance company. If the company is successful, policyholders will also be reimbursed for the deductible.

### **5. Comprehensive**

This coverage reimburses for loss due to theft or damage caused by something other than a collision with another car or object, such as fire, falling objects, missiles, explosions, earthquakes, windstorms, hail, flood, vandalism and riots, or contact with animals such as birds or deer. Comprehensive insurance is usually sold with a \$100 to \$300 deductible, though policyholders may opt for a higher deductible as a way of lowering their premium. Comprehensive insurance may also reimburse the policyholder if a windshield is cracked or shattered. Some companies offer separate glass coverage with or without a deductible. States do not require the purchase of collision or comprehensive coverage, but lenders may insist borrowers carry it until a car loan is paid off.

### **6. Uninsured and Underinsured Motorist Coverage**

Uninsured motorist coverage will reimburse the policyholder, a member of the family or a designated driver if one of them is hit by an uninsured or a hit-and-run driver. Underinsured motorist coverage comes into play when an at-fault driver has insufficient insurance to pay for the other driver's total loss. This coverage will also protect a policyholder who is hit while a pedestrian.



# Homeowners Insurance Basics

Homeowners insurance is a package policy. This means that it covers both damage to property and liability or legal responsibility for any injuries and property damage policyholders or their families cause to other people. This includes damage caused by household pets.

Damage caused by most disasters is covered but there are exceptions. Standard homeowners policies do not cover flooding, earthquakes or poor maintenance. Flood coverage is provided by the federal government's National Flood Insurance Program, although it is purchased from an insurance agent. Earthquake coverage is available either in the form of an endorsement or as a separate policy. Most maintenance-related problems are the homeowners' responsibility.

A standard homeowners insurance policy includes four essential types of coverage. They include:

## 1. Coverage for the structure of the home

This part of a policy pays to repair or rebuild a home if it is damaged or destroyed by fire, hurricane, hail, lightning or other disaster listed in the policy. It will not pay for damage caused by a flood, earthquake or routine wear and tear. Most standard policies also cover structures that are not attached to a house such as a garage, tool shed or gazebo.

## 2. Coverage for personal belongings

Furniture, clothes, sports equipment and other personal items are covered if they are stolen or destroyed by fire, hurricane or other insured disaster. Most companies provide coverage for 50 to 70 percent of the amount of insurance on the structure of a home. This part of the policy includes off-premises coverage. This means that belongings are covered anywhere in the world, unless the policyholder has decided against off-premises coverage. Expensive items like jewelry, furs and silverware are covered, but there are usually dollar limits if they are stolen. To insure these items to their full value, individuals can purchase a special personal property endorsement or floater and insure the item for its appraised value.

Trees, plants and scrubs are also covered under standard homeowners insurance—generally up to about \$500 per item. Perils covered are theft, fire, lightning, explosion, vandalism, riot and even falling aircraft. They are not covered for damage by wind or disease.

## 3. Liability protection

Liability covers against lawsuits for bodily injury or property damage that policyholders or family members cause to other people. It also pays for damage caused by pets. The liability portion of the policy pays for both the cost of defending the policyholder in court and any court awards—up to the limit of the policy. Coverage is not just in the home but extends to anywhere in the world. Liability limits generally start at about \$100,000. An umbrella or excess liability policy, which provides broader coverage, including claims for libel and slander, as well as higher liability limits, can be added to the policy.

#### 4. Additional living expenses

This pays the additional costs of living away from home if a house is inhabitable due to damage from a fire, storm or other insured disaster. It covers hotel bills, restaurant meals and other living expenses incurred while the home is being rebuilt. Coverage for additional living expenses differs from company to company.

#### Types of Homeowners Insurance Policies

The different types of homeowners policies are fairly standard throughout the country. However, individual states and companies may offer policies that are slightly different or go by other names such as “standard” or “deluxe.” The one exception is the state of Texas, where policies vary somewhat from policies in other states. The Texas Insurance Department (<http://www.tdi.state.tx.us>) has detailed information on its various homeowners policies.

People who own the home they live in have several policies to choose from. The most popular policy is the HO-3. It provides coverage for the structure of the home and personal belongings as well as personal liability coverage. It also provides the broadest coverage, protecting against 16 disasters or perils listed below.

- Fire or lightning
- Windstorm or hail
- Explosion
- Riot or civil commotion
- Damage caused by aircraft
- Damage caused by vehicles
- Smoke
- Vandalism or malicious mischief
- Theft
- Volcanic eruption
- Falling object
- Weight of ice, snow or sleet
- Accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning, or automatic fire-protective sprinkler system, or from a household appliance
- Sudden and accidental tearing apart, cracking, burning, or bulging of a steam or hot water heating system, an air conditioning or automatic fire-protective system
- Freezing of a plumbing, heating, air conditioning or automatic, fire-protective sprinkler system, or of a household appliance
- Sudden and accidental damage from artificially generated electrical current (does not include loss to a tube, transistor or similar electronic component)

Owners of multifamily homes generally purchase an HO-3 with an endorsement to cover the risks associated with having renters live in their houses. Other types of policies for home owners are the HO2, which provides more limited coverage, the HO-1, a bare bones policy that is not widely available, and the HO-8, designed for older homes. There is also a version of the HO-2 designed for mobile homes.

The HO4-policy was created specifically for those who rent the home they live in. It covers a policyholder's belongings against all 16 perils. It also provides personal liability coverage for damage the policyholder or dependents may cause to third parties. The HO-6 policy was designed for owners of condominium and cooperative units. It provides coverage for belongings and the structural parts of the condominium or co-op that the policyholder owns. It protects against all 16 perils and provides personal liability coverage. Both cover additional living expenses.

## Levels of Coverage

There are three coverage options.

### 1. Actual Cash Value

This policy pays to replace the home or possessions minus a deduction for depreciation.

### 2. Replacement Cost

This policy pays the cost of rebuilding or repairing the home or replacing possessions without a deduction for depreciation.

### 3. Guaranteed/Extended Replacement Cost

This policy offers the highest level of protection. A guaranteed replacement cost policy pays whatever it costs to rebuild the home as it was before the fire or other disaster—even if it exceeds the policy limit. This gives protection against sudden increases in construction costs due to a shortage of building materials after a widespread disaster or other unexpected situations. It generally won't cover the cost of upgrading the house to comply with current building codes. However, an endorsement (or an addition to) the policy called Ordinance or Law can help pay for these additional costs.

Some insurance companies offer an extended, rather than a guaranteed, replacement cost policy. An extended policy pays a certain percentage over the limit to rebuild the home. Generally, it is 20 to 25 percent more than the limit of the policy. For example, if homeowners take out a policy for \$100,000, they can get up to an extra \$20,000 or \$25,000 of coverage. Guaranteed and extended replacement cost policies are more expensive; but they offer the best financial protection against disasters for a home. These coverages, however, may not be available in all states or from all companies.

Replacement cost coverage is available for the structure of the home, but only actual cash value coverage is available for possessions.

# Small Business Insurance Basics

Insurers often combine a number of insurance coverages into a package that is sold as a single contract. The most common policy for small businesses is the Business-owners Policy (BOP).

The BOP combines coverage for all major property and liability insurance risks as well as many additional coverages into one package policy suitable for most small businesses. The term “BOP” specifically refers to insurance policy language developed (and revised as needed) by experts at ISO. ISO provides sample insurance policy language, research and a variety of other products to insurance companies.

The BOP includes business income insurance, sometimes called business interruption insurance. This compensates a business owner for income lost following a disaster. Disasters typically disrupt operations and may force a business to vacate its premises. Business income insurance also covers the extra expense that may be incurred if a business must operate out of a temporary location.

To cover specific risks associated with a business, a variety of additional coverages may be added to the basic BOP. For example, if a business has an outdoor sign, the BOP doesn't cover it unless coverage is specifically added for an additional premium. If a business relies on electronic commerce, the owner can add coverage for lost income and extra expenses in the event the ability of the business to conduct e-commerce is slowed down or stopped due to a computer virus or hacker.

Only small- to medium-sized businesses that meet certain criteria are eligible for a BOP. Factors insurers consider include the size of the premises, the required limits of liability, the type of business and the extent of offsite activity. Premiums for BOP policies are based on those factors plus business location, financial stability, building construction, security features and fire hazards.

## Major Coverages

Most small businesses need to purchase at least the following four types of insurance.

### 1. Property Insurance

Property insurance compensates a business if the property used in the business is lost or damaged as the result of various types of common perils, such as fire or theft. Property insurance covers not just a building or structure but also what insurers refer to as personal property, meaning office furnishings, inventory, raw materials, machinery, computers and other items vital to a business's operations. Depending on the type of policy, property insurance may include coverage for equipment breakdown, removal of debris after a fire or other destructive event, some types of water damage and other losses. It may also provide operating funds during a period when the business is trying to get back on track after a catastrophic loss.

### 2. Liability Insurance

Any enterprise can be sued. Customers may claim that the business caused them harm as the result of, for example, a defective product, an error in a service or disregard for

another person's property. Or a claimant may allege that the business created a hazardous environment. Liability insurance pays damages for which the business is found liable, up to the policy limits, as well as attorneys' fees and other legal defense expenses. It also pays the medical bills of any people injured by, or on the premises of, the business.

### **3. Business Auto Insurance**

A business auto policy provides coverage for autos owned by a business. The insurance pays any costs to third parties resulting from bodily injury or property damage for which the business is legally liable, up to the policy limits.

### **4. Workers Compensation Insurance**

In all states but Texas an employer must have workers compensation insurance when there are more than a certain number of employees, varying from three to five, depending on the state. Workers comp insurance, as this coverage is generally called, pays for medical care and replaces a portion of lost wages for an employee who is injured in the course of employment, regardless of who was at fault for the injury. When a worker dies as a result of injuries sustained while working, the insurance provides compensation to the employee's family.

An extremely small business, such as one operated by one or two people out of a home, may not need workers compensation insurance. But it often needs more property and liability insurance than is provided in a typical homeowners policy.

## **Other Types of Business Coverages**

### **1. Errors and Omissions Insurance/Professional Liability**

Some businesses involve services such as giving advice, making recommendations, designing things, providing physical care or representing the needs of others, which can lead to being sued by customers, clients or patients claiming that the business's failure to perform a job properly has injured them. Errors and omissions or professional liability insurance covers these situations. The policy will pay any judgment for which the insured is legally liable, up to the policy limit. It also provides legal defense costs, even when there has been no wrongdoing.

### **2. Employment Practices Liability Insurance**

Employment practices liability insurance covers (up to the policy limits) damages for which an employer is legally liable such as violating an employee's civil or other legal rights. In addition to paying a judgment for which the insured is liable, it also provides legal defense costs, which can be substantial even when there has been no wrongdoing.

### **3. Directors and Officers Liability Insurance**

Directors and officers liability insurance protects directors and officers of corporations or not-for-profit organizations if there is a lawsuit claiming they managed the business or organization without proper regard for the rights of others. The policy will pay any judgment for which the insured is legally liable, up to the policy limit. It also provides for legal defense costs, even where there has been no wrongdoing.

### **4. Key Employee Insurance**

Life or disability income insurance can compensate a business when certain key employees die or become disabled. These coverages cushion some of the adverse financial impact that results from losing a key employee's participation.

### **5. Umbrella Policies**

As the name implies, an umbrella liability policy provides coverage over and above a business's other liability coverages. It is designed to protect against unusually high losses. It provides protection when the policy limits of one of the underlying policies have been used up. For a typical business, the umbrella policy would provide protection beyond the general liability and auto liability policies. If a company has employment practices liability insurance, directors and officers liability, or other types of liability insurance, the umbrella could provide protection beyond those policy limits as well.

## Life Insurance Basics

Many financial experts consider life insurance to be the cornerstone of sound financial planning. It can be an important tool in the following situations:

### 1. Replace income for dependents

If people depend on an individual's income, life insurance can replace that income if the person dies. The most common example of this is parents with young children. Insurance to replace income can be especially useful if the government- or employer-sponsored benefits of the surviving spouse or domestic partner will be reduced after their companion dies.

### 2. Pay final expenses

Life insurance can pay funeral and burial costs, probate and other estate administration costs, debts and medical expenses not covered by health insurance.

### 3. Create an inheritance for heirs

Even those with no other assets to pass on, can create an inheritance by buying a life insurance policy and naming their heirs as beneficiaries.

### 4. Pay federal "death" taxes and state "death" taxes

Life insurance benefits can pay for estate taxes so that heirs will not have to liquidate other assets or take a smaller inheritance. Changes in the federal "death" tax rules between now and January 1, 2011 will likely lessen the impact of this tax on some people, but some states are offsetting those federal decreases with increases in their state-level estate taxes.

### 5. Make significant charitable contributions

By making a charity the beneficiary of their life insurance policies, individuals can make a much larger contribution than if they donated the cash equivalent of the policy's premiums.

### 6. Create a source of savings

Some types of life insurance create a cash value that, if not paid out as a death benefit, can be borrowed or withdrawn on the owner's request. Since most people make paying their life insurance policy premiums a high priority, buying a cash-value type policy can create a kind of "forced" savings plan. Furthermore, the interest credited is tax deferred (and tax exempt if the money is paid as a death claim).

## Types of Life Insurance

There are two major types of life insurance—term and whole life.

### 1. Term Life

Term insurance is the simplest form of life insurance. It pays only if death occurs during the term of the policy, which is usually from one to 30 years. Most term policies have no other benefit provisions. There are two basic types of term life insurance policies—level

term and decreasing term. Level term means that the death benefit stays the same throughout the duration of the policy. Decreasing term means that the death benefit drops, usually in one-year increments, over the course of the policy's term.

## **2. Whole Life/Permanent Life**

Whole life or permanent insurance pays a death benefit whenever the policyholder dies. There are three major types of whole life or permanent life insurance—traditional whole life, universal life, and variable universal life, and there are variations within each type.

In the case of traditional whole life, both the death benefit and the premium are designed to stay the same (level) throughout the life of the policy. The cost per \$1,000 of benefit increases as the insured person ages, and it obviously gets very high when the insured lives to 80 and beyond. The insurance company keeps the premium level by charging a premium that, in the early years, is higher than what is needed to pay claims, investing that money, and then using it to supplement the level premium to help pay the cost of life insurance for older people.

By law, when these “overpayments” reach a certain amount, they must be available to the policyholder as a cash value if he or she decides not to continue with the original plan. The cash value is an alternative, not an additional, benefit under the policy.

## **3. Universal Life**

Universal life, also known as adjustable life, allows more flexibility than traditional whole life policies. The savings vehicle (called a cash value account) generally earns a money market rate of interest. After money has accumulated in the account, the policyholder will also have the option of altering premium payments—providing there is enough money in the account to cover the costs.

## **4. Variable Life**

Variable life policies combine death protection with a savings account that can be invested in stocks, bonds and money market mutual funds. The value of the policy may grow more quickly, but involves more risk. If investments do not perform well, the cash value and death benefit may decrease. Some policies, however, guarantee that the death benefit will not fall below a minimum level. Another variant, universal variable life, combines the features of variable and universal life policies. It has the investment risks and rewards characteristic of variable life insurance, coupled with the ability to adjust premiums and death benefits that is characteristic of universal life insurance.



## Annuities Basics

Annuities are financial products intended to enhance retirement security. An annuity is an agreement for one person or organization to pay another a series of payments. Usually the term “annuity” relates to a contract between an individual and a life insurance company.

There are many categories of annuities. They can be classified by:

- Nature of the underlying investment – fixed or variable
- Primary purpose – accumulation or pay-out (deferred or immediate)
- Nature of payout commitment – fixed period, fixed amount or lifetime
- Tax status – qualified or nonqualified
- Premium payment arrangement – single premium or flexible premium

An annuity can be classified in several of these categories at once. For example, an individual might buy a nonqualified single premium deferred variable annuity.

In general, annuities have the following features:

### **1. Tax deferral on investment earnings**

Many investments are taxed year by year, but the investment earnings—capital gains and investment income—in annuities aren’t taxable until the investor withdraws money. This tax deferral is also true of 401(k)s and IRAs; however, unlike these products, there are no limits on the amount one can put into an annuity. Moreover, the minimum withdrawal requirements for annuities are much more liberal than they are for 401(k)s and IRAs.

### **2. Protection from creditors**

People who own an immediate annuity (that is, who are receiving money from an insurance company), are afforded some protection from creditors. Generally the most that creditors can access is the payments as they are made, since the money the annuity owner gave the insurance company now belongs to the company. Some state statutes and court decisions also protect some or all of the payments from those annuities.

### **3. An array of investment options**

Many annuity companies offer a variety of investment options. For example, individuals can invest in a fixed annuity that credits a specified interest rate, similar to a bank Certificate of Deposit (CD). If they buy a variable annuity, their money can be invested in stocks, bonds or mutual funds. In recent years, annuity companies have created various types of “floors” that limit the extent of investment decline from an increasing reference point.

### **4. Taxfree transfers among investment options**

In contrast to mutual funds and other investments made with aftertax money, with annuities there are no tax consequences if owners change how their funds are invested. This can be particularly valuable if they are using a strategy called “rebalancing.”

which is recommended by many financial advisors. Under rebalancing, investors shift their investments periodically to return them to the proportions that represent the risk/return combination most appropriate for the investor's situation.

## 5. Lifetime income

A lifetime immediate annuity converts an investment into a stream of payments that last until the annuity owner dies. In concept, the payments come from three “pockets”: The original investment, investment earnings and money from a pool of people in the investors group who do not live as long as actuarial tables forecast. The pooling is unique to annuities, and it's what enables annuity companies to be able to guarantee a lifetime income.

## 6. Benefits to heirs

There is a common apprehension that if an individual starts an immediate lifetime annuity and dies soon after that, the insurance company keeps all of the investment in the annuity. To prevent this situation individuals can buy a “guaranteed period” with the immediate annuity. A guaranteed period commits the insurance company to continue payments after the owner dies to one or more designated beneficiaries; the payments continue to the end of the stated guaranteed period—usually 10 or 20 years (measured from when the owner started receiving the annuity payments). Moreover, annuity benefits that pass to beneficiaries don't go through probate and aren't governed by the annuity owner's will.

## Types of Annuities

### Fixed annuities

In a fixed annuity, the insurance company guarantees the principal and a minimum rate of interest. In other words, the money in a fixed annuity will grow and will not drop in value. The growth of the annuity's value and/or the benefits paid may be fixed at a dollar amount or by an interest rate, or may grow by a specified formula. The growth of the annuity's value and/or the benefits paid does not depend directly or entirely on the performance of the investments the insurance company makes to support the annuity. Some fixed annuities credit a higher interest rate than the minimum, via a policy dividend that may be declared by the company's board of directors, if the company's actual investment, expense and mortality experience is more favorable than was expected. Fixed annuities are regulated by state insurance departments.

An equity indexed annuity is a type of fixed annuity, but looks like a hybrid. It credits a minimum rate of interest, just as a fixed annuity does, but its value is also based on the performance of a specified stock index—usually computed as a fraction of that index's total return.

A market-value adjusted annuity is one that combines two desirable features—the ability to select and fix the time period and interest rate over which the annuity will grow, and the flexibility to withdraw money from the annuity before the end of the time period selected. This withdrawal flexibility is achieved by adjusting the

annuity's value, up or down, to reflect the change in the general level of interest rates from the start of the selected time period to the time of withdrawal.

### **Variable annuities**

Money in a variable annuity is invested in a fund—like a mutual fund but one open only to investors in the insurance company's variable life insurance and variable annuities. The fund has a particular investment objective, and the value of the money in a variable annuity—and the amount of money to be paid out—is determined by the investment performance (net of expenses) of that fund. Most variable annuities are structured to offer investors many different fund alternatives. Variable annuities are regulated by state insurance departments and the federal Securities and Exchange Commission.

The following annuities are available in fixed or variable form.

#### **1. Deferred annuities**

A deferred annuity is designed to collect premiums and accrue investment income over an extended period for payout at a later time—for example, when an individual retires. Deferred annuities, also referred to as investment annuities, are available in fixed or variable forms.

#### **2. Immediate annuities**

An immediate annuity is designed to start paying an income one time period after the immediate annuity is bought. The time period depends on how often the income is to be paid. For example, if the income is monthly, the first payment comes one month after the immediate annuity is bought. Immediate annuities are also available in fixed or variable forms

#### **3. Fixed period annuities**

A fixed period annuity pays an income for a specified period of time, such as ten years. The amount that is paid doesn't depend on the age (or continued life) of the person who buys the annuity; the payments depend instead on the amount paid into the annuity, the length of the payout period, and (if it's a fixed annuity) an interest rate that the insurance company believes it can support for the length of the payout period.

#### **4. Lifetime annuities**

A lifetime annuity provides income for the remaining life of a person (called the "annuitant"). A variation of lifetime annuities continues income until the second one of two annuitants dies. No other type of financial product can promise to do this. The amount that is paid depends on the age of the annuitant (or ages, if it's a two-life annuity), the amount paid into the annuity, and (if it's a fixed annuity) an interest rate that the insurance company believes it can support for the length of the expected payout period.

## **5. Qualified annuities**

A qualified annuity is one used to invest and disburse money in a tax-favored retirement plan, such as an IRA or Keogh plan or plans governed by Internal Revenue Code sections 401(k), 403(b) or 457. Under the terms of the plan, money paid into the annuity is not included in taxable income for the year in which it is paid. All other tax provisions that apply to nonqualified annuities also apply to qualified annuities.

## **6. Nonqualified annuities**

A nonqualified annuity is one purchased separately from, or “outside of,” a tax-favored retirement plan. Investment earnings of all annuities, qualified and non-qualified, are tax-deferred until they are withdrawn; at that point they are treated as taxable income (regardless of whether they came from selling capital at a gain or from dividends).

## **7. Single premium annuities**

A single premium annuity is an annuity funded by a single payment. The payment might be invested for growth for a long period of time—a single premium deferred annuity—or invested for a short time, after which the payout begins—a single premium immediate annuity. Single premium annuities are often funded by rollovers or from the sale of an appreciated asset.

## **8. Flexible premium annuities**

A flexible premium annuity is an annuity that is intended to be funded by a series of payments. Flexible premium annuities are only deferred annuities; that is, they are designed to have a significant period of payments into the annuity plus investment growth before any money is withdrawn from them.

## Long-Term Care Insurance Basics

Long-term care insurance pays for services to help individuals who are unable to perform certain activities of daily living without assistance, or require supervision due to a cognitive impairment such as Alzheimer’s disease.

### Features of long-term care policies

The best policies pay for care in a nursing home, assisted living facility, or at home. Benefits are typically expressed in daily amounts, with a lifetime maximum. Some policies pay half as much per day for at-home care as for nursing home care. Others pay the same amount, or have a “pool of benefits” that can be used as needed.

### Criteria for the beginning of payments

The policy should state the various conditions that must be met. They can include:

#### **1. The inability to perform two or three specific “activities of daily living” without help**

These include bathing, dressing, eating, toileting and “transferring” or being able to move from place to place or between a bed and a chair.

#### **2. Cognitive impairment**

Most policies cover stroke and Alzheimer’s and Parkinson’s disease, but other forms of mental incapacity may be excluded.

#### **3. Medical necessity, or certification by a doctor that long-term care is necessary**

Most policies have a “waiting period” or “elimination” period. This is a period that begins when an individual first needs long-term care and lasts as long as the policy provides. During the waiting period, the policy will not pay benefits. The policy pays only for expenses that occur after the waiting period is over, if the policyholder continues to need care. In general, the longer the waiting period, the lower the premium for the long-term care policy.

Benefit periods for long term care may range from two years to lifetime. Premiums can be kept down by electing coverage for three to four years—longer than the average nursing home stay—instead of lifetime.

Most long-term care policies pay on a reimbursement (or expense-incurred) basis, up to the policy limits. In other words, if the policy has a \$150 per day benefit, but the policyholder spends only \$130 per day for a home long-term care provider, the policy will pay only \$130. The “extra” \$20 each day will, in some policies, go into a “pool” of unused funds that can be used to extend the length of time for which the policy will pay benefits. Other policies pay on an indemnity basis. Using the same example as above, an indemnity policy would pay \$150 per day as long as the insured needs and receives long-term care services, regardless of the actual outlay.

Inflation protection is an important feature, especially for people under the age of 65, who are buying benefits that they may not use for 20 years or more. A good inflation provision compounds benefits at 5 percent a year. Without inflation protection, even 3 percent annual inflation will, over 24 years, reduce the purchasing power of a \$150 daily benefit to the equivalent of \$75.

## **Six other important policy provisions**

### **1. Elimination period**

Under some policies, if the insured has qualifying long-term care expenses on one day during a seven-day period, he or she will be credited with having satisfied seven days toward the elimination period. This type of provision reflects the way home care is often delivered—some days by professionals and some days by family members.

### **2. Guaranteed renewable policies**

These must be renewed by the insurance company, although premiums can go up if they are increased for an entire class of policyholders.

### **3. Waiver of premium**

This provision ensures that no further premiums are due once the policyholder starts to receive benefits.

### **4. Third-party notification**

This provision stipulates that a relative, friend or professional adviser will be notified if the policyholder forgets to pay a premium.

### **5. Nonforfeiture benefits**

These benefits keep a lesser amount of insurance in force if the policyholder lets the coverage lapse. This provision is required by some states.

### **6. Restoration of benefits**

This provision ensures that maximum benefits are put back in place if the policyholder receives benefits for a time, then recovers and goes for a specified period (typically six months) without receiving benefits.

## Disability Insurance Basics

Forty-three percent of all people age 40 will have a long-term disability (lasting 90 days or more) by age 65. Disability income insurance, which complements health insurance, can replace lost income if a worker becomes disabled and unable to work as a result of an accident or illness.

There are three basic ways to replace income.

### 1. Employer-paid disability insurance

This is required in most states. Most employers provide some short-term sick leave. Many larger employers provide long-term disability coverage as well, typically with benefits of up to 60 percent of salary lasting for a period of up to five years until the age of 65, and in some cases extended for life.

### 2. Social Security disability benefits

This is paid to workers whose disability is expected to last at least 12 months and is so severe that no gainful employment can be performed.

### 3. Individual disability income insurance policies

Other limited replacement income is available for workers under some circumstances from workers compensation (if the injury or illness is job-related), auto insurance (if disability results from an auto accident) and the Department of Veterans Affairs. For most workers, even those with some employer-paid coverage, an individual disability income policy is the best way to ensure adequate income in the event of disability. Workers who buy a private disability income policy can expect to replace from 50 percent to 70 percent of income. Disability benefits paid out on individual disability policies are not taxed; benefits from employer-paid policies are subject to income tax.

## Types of Disability Insurance

There are two types of disability policies: Short-Term Disability (STD) and Long-Term Disability (LTD). STD policies have a waiting period of 0 to 14 days with a maximum benefit period of no longer than two years. LTD policies have a waiting period of several weeks to several months with a maximum benefit period ranging from a few years to the rest of the policyholder's life.

Disability policies have two different protection features. Noncancelable means the policy cannot be canceled by the insurance company, except for nonpayment of premiums. This gives the policyholder the right to renew the policy every year without an increase in the premium or a reduction in benefits. Guaranteed renewable gives the policyholder the right to renew the policy with the same benefits and not have the policy canceled by the company. However, the insurer has the right to increase premiums as long as it does so for all other policyholders in the same rating class.

There are several options that can be added to a traditional disability policy.

### **1. Additional purchase options**

The insurance company gives the policyholder the right to buy additional insurance at a later time.

### **2. Coordination of benefits**

The amount of benefits policyholders receive from their insurance companies is dependent on other benefits they receive because of the disability. The policy specifies a target amount the policyholder will receive from all the policies combined and will make up the difference not paid by other policies.

### **3. Cost of living adjustment (COLA)**

The COLA increases disability benefits over time based on the increased cost of living measured by the Consumer Price Index. Policyholders will pay a higher premium if they select the COLA.

### **4. Residual or partial disability rider**

This provision allows workers to return to work part-time, collecting part of their salaries and receiving a partial disability payment if they are still partially disabled.

### **5. Return of premium**

This provision requires the insurance company to refund part of the premium if no claims are made for a specific period of time declared in the policy.

### **6. Waiver of premium provision**

This clause means that the policyholder does not have to pay premiums on the policy after he or she is disabled for 90 days.

## **Factors Affecting the Choice of a Disability Policy**

### **1. The definition of disability**

Some policies pay benefits if workers are unable to perform the customary duties of their own occupations. Others pay only if workers are unable to perform any job suitable for their education and experience. Some policies define disability in terms of workers' own occupation for an initial period of two or three years and then continue to pay benefits only if they are unable to perform any occupation. "Own occupation" policies are more desirable, but more expensive.

### **2. Benefit period**

The benefit period is the amount of time policyholders will receive monthly benefits during their lifetimes. Experts usually recommend that the policy pay benefits until at least age 65, at which point Social Security disability will take over.



### **3. Replacement percentage**


Many policies will replace from 60 to 70 percent of total taxable earnings. A higher replacement percentage, if available, is more expensive.

### **4. Coverage for disability resulting from either accidental injury or illness**

An “accident-only” policy is less expensive but provides very limited protection.

### **5. Transition benefits**

This provision can offset financial loss during a post-disability period of rebuilding a business or professional practice.



# Glossary

## **401(K) PLAN**

An employer-sponsored retirement savings plan funded by employee contributions, which may or may not be matched by the employer. Federal laws allow employees to invest pretax dollars, up to a stated maximum each year.

## **\*403(B) PLAN**

In the United States, an arrangement that allows not-for-profit employers and their employees to make contributions to a tax-deferred retirement savings plan established for the benefit of employees.

## **529 SAVINGS PLANS**

State-administered plans designed to encourage households to save for college education. Named after a part of the Internal Revenue tax code, these saving plans allow earnings to accumulate free of federal income tax and sometimes to be withdrawn to pay for college

costs taxfree. There are two types of plans: savings and prepaid tuition. Plan assets are managed either by the state's treasurer or an outside investment company. Most offer a range of investment options.

## **A**

### **A-SHARE VARIABLE ANNUITY**

A form of variable annuity contract where the contract holder pays sales charges up front rather than eventually having to pay a surrender charge.

### **\*ABSOLUTE ASSIGNMENT**

An irrevocable transfer of complete ownership of a life insurance policy or an annuity from one party to another. *Contrast with* collateral assignment. (*See* Assignment)

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**ACCELERATED DEATH BENEFITS**

A life insurance policy option that provides policy proceeds to insured individuals over their lifetimes, in the event of a terminal illness. This is in lieu of a traditional policy that pays beneficiaries after the insured's death. Such benefits kick in if the insured becomes terminally ill, needs extreme medical intervention, or must reside in a nursing home. The payments made while the insured is living are deducted from any death benefits paid to beneficiaries.

**ACCIDENT AND HEALTH INSURANCE**

Coverage for accidental injury, accidental death, and related health expenses. Benefits will pay for preventative services, medical expenses and catastrophic care, with limits.

**\*ACCIDENTAL DEATH BENEFIT (ADB)**

A supplementary life insurance policy benefit that provides a death benefit in addition to the policy's basic death benefit if the insured's death occurs as the result of an accident. (See Double indemnity benefit)

**\*ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) BENEFIT**

A supplementary life insurance policy benefit that provides for an amount of money in addition to the policy's basic death benefit. This additional amount is payable if the insured dies as the result of an accident or if the insured loses any two limbs or the sight in both eyes as the result of an accident.

**ACCOUNT RECEIVABLES**

See Receivables.

**\*ACCUMULATION AT INTEREST DIVIDEND OPTION**

An option, available to the owners of participating insurance policies, that allows a policy owner to leave policy dividends on deposit with the insurer and earn interest. (See Dividends)

**ACTUAL CASH VALUE**

A form of insurance that pays damages equal to the replacement value of damaged property minus depreciation. (See Replacement cost)

**ACTUARY**

An insurance professional skilled in the analysis, evaluation and management of statistical information. Evaluates insurance firms' reserves, determines rates and rating methods, and determines other business and financial risks.

**ADDITIONAL LIVING EXPENSES**

Extra charges covered by homeowners policies over and above the policyholder's customary living expenses. They kick in when the insured requires temporary shelter due to damage by a covered peril that makes the home temporarily uninhabitable.

**\*ADDITIONAL TERM INSURANCE OPTION**

An option available to owners of participating insurance policies under which the insurer uses a policy dividend as a net single premium to purchase one-year term insurance on the insured's life. Also known as fifth dividend option. (See Dividend; Policy dividend options)

**\*ADJUSTABLE LIFE INSURANCE**

A form of life insurance that allows policy owners to vary the type of coverage provided by their policies as their insurance needs change.

**ADJUSTER**

An individual employed by a property/casualty insurer to evaluate losses and settle policyholder claims. These adjusters differ from public adjusters, who negotiate with insurers on behalf of policyholders, and receive a portion of a claims settlement. Independent adjusters are independent contractors who adjust claims for different insurance companies.

**ADMITTED ASSETS**

Assets recognized and accepted by state insurance laws in determining the solvency of insurers and reinsurers. To make it easier to assess an insurance company's financial position,

state statutory accounting rules do not permit certain assets to be included on the balance sheet. Only assets that can be easily sold in the event of liquidation or borrowed against, and receivables for which payment can be reasonably anticipated, are included in admitted assets. (See Assets)

### **ADMITTED COMPANY**

An insurance company licensed and authorized to do business in a particular state.

### **ADVERSE SELECTION**

The tendency of those exposed to a higher risk to seek more insurance coverage than those at a lower risk. Insurers react either by charging higher premiums or not insuring at all, as in the case of floods. (Flood insurance is provided by the federal government but sold mostly through the private market.) In the case of natural disasters, such as earthquakes, adverse selection concentrates risk instead of spreading it. Insurance works best when risk is shared among large numbers of policyholders.

### **AFFINITY SALES**

Selling insurance through groups such as professional and business associations.

### **AFTERMARKET PARTS**

See Crash parts; Generic auto parts.

### **AGENCY COMPANIES**

Companies that market and sell products via independent agents.

### **AGENT**

Insurance is sold by two types of agents: independent agents, who are self-employed, represent several insurance companies and are paid on commission; and exclusive or captive agents, who represent only one insurance company and are either salaried or work on commission. Insurance companies that use exclusive or captive agents are called direct writers.

### **\*ALEATORY CONTRACT**

A contract in which one party provides something of value to another party in exchange for a conditional promise, which is a promise that the other party will perform a stated act upon the occurrence of an uncertain event. Insurance contracts are aleatory because the policyowner pays premiums to the insurer, and in return the insurer promises to pay benefits if the event insured against occurs. *Contrast with* commutative contract.

### **ALIEN INSURANCE COMPANY**

An insurance company incorporated under the laws of a foreign country, as opposed to a “foreign” insurance company which does business in states outside its own.

### **ALLIED LINES**

Property insurance that is usually bought in conjunction with fire insurance; it includes wind, water damage and vandalism coverage.

### **ALTERNATIVE DISPUTE RESOLUTION/ADR**

An alternative to going to court to settle disputes. Methods include arbitration, where disputing parties agree to be bound to the decision of an independent third party, and mediation, where a third party tries to arrange a settlement between the two sides.

### **ALTERNATIVE MARKETS**

Nontraditional mechanisms used to finance risk. This includes captives, which are insurers owned by one or more non-insurers to provide owners with coverage. Risk-retention groups, formed by members of similar professions or businesses to obtain liability insurance and self-insurance, are also included.

### **ANNUAL ANNUITY CONTRACT FEE**

Covers the cost of administering an annuity contract.

### **ANNUAL STATEMENT**

Summary of an insurer’s or reinsurer’s financial operations for a particular year, including a balance sheet. It is filed with the state insurance

department of each jurisdiction in which the company is licensed to conduct business.

### **ANNUITANT**

The person who receives the income from an annuity contract. Usually the owner of the contract or his or her spouse.

### **ANNUITIZATION**

The conversion of the account balance of a deferred annuity contract to income payments.

### **ANNUITY**

A life insurance product that pays periodic income benefits for a specific period of time or over the course of the annuitant's lifetime. There are two basic types of annuities: deferred and immediate. Deferred annuities allow assets to grow tax-deferred over time before being converted to payments to the annuitant. Immediate annuities allow payments to begin within about a year of purchase.

### **ANNUITY ACCUMULATION PHASE OR PERIOD**

The period during which the owner of a deferred annuity makes payments to build up assets.

### **ANNUITY ADMINISTRATIVE CHARGES**

Covers the cost of customer services for owners of variable annuities.

### **ANNUITY BENEFICIARY**

In certain types of annuities, a person who receives annuity contract payments if the annuity owner or annuitant dies while payments are still due.

### **\*ANNUITY CERTAIN**

A type of annuity contract that pays periodic income benefits for a stated period of time, regardless of whether the annuitant lives or dies. Also known as period certain annuity. *Contrast with* straight life annuity. (See Payout options)

### **ANNUITY CONTRACT**

An agreement similar to an insurance policy for other insurance products such as auto insurance.

### **ANNUITY CONTRACT OWNER**

The person or entity that purchases an annuity and has all rights to the contract. Usually, but not always, the annuitant (the person who receives incomes from the contract).

### **\*ANNUITY COST**

A monetary amount that is equal to the present value of future periodic income payments under an annuity. (See Gross annuity cost; Income date; Net annuity cost)

### **\*ANNUITY DATE**

See Income date.

### **ANNUITY DEATH BENEFITS**

The guarantee that if an annuity contract owner dies before annuitization (the switchover from the savings to the payment phase) the beneficiary will receive the value of the annuity that is due.

### **ANNUITY INSURANCE CHARGES**

Covers administrative and mortality and expense risk costs.

### **ANNUITY INVESTMENT MANAGEMENT FEE**

The fee paid for the management of variable annuity invested assets.

### **ANNUITY ISSUER**

The insurance company that issues the annuity.

### **ANNUITY PROSPECTUS**

Legal document providing detailed information about variable annuity contracts. Must be offered to each prospective buyer.

### **ANNUITY PURCHASE RATE**

The cost of an annuity based on such factors as the age and gender of the contract owner.

### **\*ANTISELECTION**

The tendency of individuals who suspect or know they are more likely than average to experience loss to apply for or renew insurance to a greater extent than people who lack such knowledge of probable loss. Also known

as adverse selection and selection against the company.

### **ANTITRUST LAWS**

Laws that prohibit companies from working as a group to set prices, restrict supplies or stop competition in the marketplace. The insurance industry is subject to state antitrust laws but has a limited exemption from federal antitrust laws. This exemption, set out in the McCarran-Ferguson Act, permits insurers to jointly develop common insurance forms and share loss data to help them price policies.

### **APPORTIONMENT**

The dividing of a loss proportionately among two or more insurers that cover the same loss.

### **APPRAISAL**

A survey to determine a property's insurable value, or the amount of a loss.

### **ARBITRATION**

Procedure in which an insurance company and the insured or a vendor agree to settle a claim dispute by accepting a decision made by a third party.

### **ARSON**

The deliberate setting of a fire.

### **ASSET-BACKED SECURITIES**

Bonds that represent pools of loans of similar types, duration and interest rates. Almost any loan with regular repayments of principal and interest can be securitized, from auto loans and equipment leases to credit card receivables and mortgages.

### **ASSETS**

Property owned, in this case by an insurance company, including stocks, bonds and real estate. Insurance accounting is concerned with solvency and the ability to pay claims. State insurance laws therefore require a conservative valuation of assets, prohibiting insurance companies from listing assets on their balance sheets whose values are uncertain, such as

furniture, fixtures, debit balances and accounts receivable that are more than 90 days past due. (*See* Admitted assets)

### **ASSIGNED RISK PLANS**

Facilities through which drivers can obtain auto insurance if they are unable to buy it in the regular or voluntary market. These are the most well-known type of residual auto insurance market, which exist in every state. In an assigned risk plan, all insurers selling auto insurance in the state are assigned these drivers to insure, based on the amount of insurance they sell in the regular market. (*See* Residual market)

### **\*ASSIGNMENT**

An agreement under which one party—the assignor—transfers some or all of his ownership rights in a particular property, such as a life insurance policy or an annuity contract, to another party—the assignee. (*See* Absolute assignment; Collateral assignment)

### **\*ASSOCIATION GROUP**

A type of group that generally is eligible for group insurance and that consists of members of an association of individuals formed for a purpose other than to obtain insurance coverage, such as teachers' associations and physicians' associations.

### **AUTO INSURANCE POLICY**

There are basically six different types of coverages. Some may be required by law. Others are optional. They are:

1. Bodily injury liability, for injuries the policyholder causes to someone else.
2. Medical payments or Personal Injury Protection (PIP) for treatment of injuries to the driver and passengers of the policyholder's car.
3. Property damage liability, for damage the policyholder causes to someone else's property.
4. Collision, for damage to the policyholder's car from a collision.

5. Comprehensive, for damage to the policyholder's car not involving a collision with another car (including damage from fire, explosions, earthquakes, floods, and riots), and theft.
6. Uninsured motorists coverage, for costs resulting from an accident involving a hit-and-run driver or a driver who does not have insurance.

**AUTO INSURANCE PREMIUM**

The price an insurance company charges for coverage, based on the frequency and cost of potential accidents, theft and other losses. Prices vary from company to company, as with any product or service. Premiums also vary depending on the amount and type of coverage purchased; the make and model of the car; and the insured's driving record, years of driving and the number of miles the car is driven per year. Other factors taken into account include the driver's age and gender, where the car is most likely to be driven and the times of day—rush hour in an urban neighborhood or leisure time driving in rural areas, for example. Some insurance companies may also use credit history related information. (See Insurance score)

**AVIATION INSURANCE**

Commercial airlines hold property insurance on airplanes and liability insurance for negligent acts that result in injury or property damage to passengers or others. Damage is covered on the ground and in the air. The policy limits the geographical area and individual pilots covered.

**B****B-SHARE VARIABLE ANNUITY**

A form of variable annuity contract with no initial sales charge but if the contract is cancelled the holder pays deferred sales charges (usually from 5 to 7 percent the first year, declining to zero after from 5 to 7 years). The most common form of annuity contract.

**BALANCE SHEET**

Provides a snapshot of a company's financial condition at one point in time. It shows assets, including investments and reinsurance, and liabilities, such as loss reserves to pay claims in the future, as of a certain date. It also states a company's equity, known as policyholder surplus. Changes in that surplus are one indicator of an insurer's financial standing.

**BANK HOLDING COMPANY**

A company that owns or controls one or more banks. The Federal Reserve has responsibility for regulating and supervising bank holding company activities, such as approving acquisitions and mergers and inspecting the operations of such companies. This authority applies even though a bank owned by a holding company may be under the primary supervision of the Comptroller of the Currency or the FDIC.

**BASIS POINT**

0.01 percent of the yield of a mortgage, bond or note. The smallest measure used.

**BEACH AND WINDSTORM PLANS**

State-sponsored insurance pools that sell property coverage for the peril of windstorm to people unable to buy it in the voluntary market because of their high exposure to risk. Seven states (AL, FL, LA, MS, NC, SC, TX) offer these plans to cover residential and commercial properties against hurricanes and other windstorms. Georgia and New York provide this kind of coverage for windstorm and hail in certain coastal communities through other property pools. Insurance companies that sell property insurance in the state are required to participate in these plans. Insurers share in profits and losses. (See Fair access to insurance requirements plans/FAIR plans; Residual market)

**\*BENEFICIARY**

The person or legal entity the owner of an insurance policy names to receive the policy benefit if the event insured against occurs.

(See Annuity beneficiary; Contingent beneficiary; Irrevocable beneficiary)

### **BINDER**

Temporary authorization of coverage issued prior to the actual insurance policy.

### **BLANKET INSURANCE**

Coverage for more than one type of property at one location or one type of property at more than one location. Example: chain stores.

### **BODILY INJURY LIABILITY COVERAGE**

Portion of an auto insurance policy that covers injuries the policyholder causes to someone else.

### **BOILER AND MACHINERY INSURANCE**

Often called Equipment Breakdown, or Systems Breakdown insurance. Commercial insurance that covers damage caused by the malfunction or breakdown of boilers, and a vast array of other equipment including air conditioners, heating, electrical, telephone and computer systems.

### **BOND**

A security that obligates the issuer to pay interest at specified intervals and to repay the principal amount of the loan at maturity. In insurance, a form of suretyship. Bonds of various types guarantee a payment or a reimbursement for financial losses resulting from dishonesty, failure to perform and other acts.

### **BOND RATING**

An evaluation of a bond's financial strength, conducted by such major ratings agencies as Standard & Poor's and Moody's Investors Service.

### **BOOK OF BUSINESS**

Total amount of insurance on an insurer's books at a particular point in time.

### **BROKER**

An intermediary between a customer and an insurance company. Brokers typically search the market for coverage appropriate to their

clients. They work on commission and usually sell commercial, not personal, insurance. In life insurance, agents must be licensed as securities brokers/dealers to sell variable annuities, which are similar to stock market-based investments.

### **BURGLARY AND THEFT INSURANCE**

Insurance for the loss of property due to burglary, robbery or larceny. It is provided in a standard homeowners policy and in a business multiple peril policy.

### **BUSINESS INCOME INSURANCE**

Commercial coverage that reimburses a business owner for lost profits and continuing fixed expenses during the time that a business must stay closed while the premises are being restored because of physical damage from a covered peril, such as a fire. Business income insurance also may cover financial losses that may occur if civil authorities limit access to an area after a disaster and their actions prevent customers from reaching the business premises. Depending on the policy, civil authorities coverage may start after a waiting period and last for two or more weeks. Also known as business interruption insurance.

### **BUSINESSOWNERS POLICY/BOP**

A policy that combines property, liability and business interruption coverages for small- to medium-sized businesses. Coverage is generally cheaper than if purchased through separate insurance policies.

## **C**

### **C-SHARE VARIABLE ANNUITIES**

A form of variable annuity contract where the contract holder pays no sales fee up front or surrender charges. Owners can claim full liquidity at any time.

### **CAPACITY**

The supply of insurance available to meet demand. Capacity depends on the industry's financial ability to accept risk. For an



individual insurer, the maximum amount of risk it can underwrite based on its financial condition. The adequacy of an insurer's capital relative to its exposure to loss is an important measure of solvency. A property/casualty insurer must maintain a certain level of capital and policyholder surplus to underwrite risks. This capital is known as capacity. When the industry is hit by high losses, such as after the World Trade Center terrorist attack, capacity is diminished. It can be restored by increases in net income, favorable investment returns, reinsuring more risk and or raising additional capital. When there is excess capacity, usually because of a high return on investments, premiums tend to decline as insurers compete for market share. As premiums decline, underwriting losses are likely to grow, reducing capacity and causing insurers to raise rates and tighten conditions and limits in an effort to increase profitability. Policyholder surplus is sometimes used as a measure of capacity.

### **CAPITAL**

Shareholder's equity (for publicly traded insurance companies) and retained earnings (for mutual insurance companies). There is no general measure of capital adequacy for property/casualty insurers. Capital adequacy is linked to the riskiness of an insurer's business. A company underwriting medical device manufacturers needs a larger cushion of capital than a company writing Main Street business, for example. (See Risk-based capital; Solvency; Surplus)

### **CAPITAL MARKETS**

The markets in which equities and debt are traded. (See Securitization of insurance risk)

### **CAPTIVE AGENT**

A person who represents only one insurance company and is restricted by agreement from submitting business to any other company, unless it is first rejected by the agent's captive company. (See Exclusive agent)

### **CAPTIVES**

Insurers that are created and wholly owned by one or more non-insurers, to provide owners with coverage. A form of self-insurance.

### **CAR YEAR**

Equal to 365 days of insured coverage for a single vehicle. It is the standard measurement for automobile insurance.

### **CASE MANAGEMENT**

A system of coordinating medical services to treat a patient, improve care and reduce cost. A case manager coordinates health care delivery for patients.

### **\*CASH DIVIDEND OPTION**

For participating insurance policies, a dividend option under which the insurer sends the policy owner a check in the amount of the policy dividend. (See Dividend; Policy dividend options)

### **\*CASH PAYMENT OPTION**

One of several nonforfeiture options included in life insurance policies and some annuity contracts that allows a policy owner to receive the cash surrender value of a life insurance policy or an annuity contract in a single payment. Also known as cash surrender option. (See Cash surrender value; Nonforfeiture options)

### **\*CASH SURRENDER VALUE**

(1) For life insurance, the amount, before adjustments for factors such as policy loans, that the owner of a permanent life insurance policy is entitled to receive if the policy does not remain in force until the insured's death. (2) For annuities, the amount of a deferred annuity's accumulated value, less any surrender charges, that the contract holder is entitled to receive if the policy is surrendered during its accumulation period. Also known as cash value and surrender value.

### **\*CASH VALUE**

See Cash surrender value.

**CATASTROPHE**

Term used for statistical recording purposes to refer to a single incident or a series of closely related incidents causing severe insured property losses totaling more than a given amount, currently \$25 million.

**CATASTROPHE BONDS**

Risk-based securities that pay high interest rates and provide insurance companies with a form of reinsurance to pay losses from a catastrophe such as those caused by a major hurricane. They allow insurance risk to be sold to institutional investors in the form of bonds, thus spreading the risk. (*See* Securitization of insurance risk)

**CATASTROPHE DEDUCTIBLE**

A percentage or dollar amount that a homeowner must pay before the insurance policy kicks in when a major natural disaster occurs. These large deductibles limit an insurer's potential losses in such cases, allowing it to insure more property. A property insurer may not be able to buy reinsurance to protect its own bottom line unless it keeps its potential maximum losses under a certain level.

**CATASTROPHE FACTOR**

Probability of catastrophic loss, based on the total number of catastrophes in a state over a 40-year period.

**CATASTROPHE MODEL**

Using computers, a method to mesh long-term disaster information with current demographic, building and other data to determine the potential cost of natural disasters and other catastrophic losses for a given geographic area.

**CATASTROPHE REINSURANCE**

Reinsurance for catastrophic losses. The insurance industry is able to absorb the multibillion dollar losses caused by natural and man-made disasters such as hurricanes, earthquakes and terrorist attacks because losses are spread among thousands of companies

including catastrophe reinsurers who operate on a global basis. Insurers' ability and willingness to sell insurance fluctuates with the availability and cost of catastrophe reinsurance. After major disasters, such as Hurricane Andrew and the World Trade Center terrorist attack, the availability of catastrophe reinsurance becomes extremely limited. Claims deplete reinsurers' capital and, as a result, companies are more selective in the type and amount of risks they assume. In addition, with available supply limited, prices for reinsurance rise. This contributes to an overall increase in prices for property insurance.

**CELL PHONE INSURANCE**

Separate insurance provided to cover cell phones for damage or theft. Policies are often sold with the cell phones themselves.

**CHARTERED FINANCIAL CONSULTANT/ChFC**

A professional designation given by The American College to financial services professionals who complete courses in financial planning.

**CHARTERED LIFE UNDERWRITER/CLU**

A professional designation by The American College for those who pass business examinations on insurance, investments and taxation, and have life insurance planning experience.

**CHARTERED PROPERTY/CASUALTY UNDERWRITER/CPCU**

A professional designation given by the American Institute for Chartered Property Casualty Underwriters. National examinations and three years of work experience are required.

**CLAIMS MADE POLICY**

A form of insurance that pays claims presented to the insurer during the term of the policy or within a specific term after its expiration. It limits liability insurers' exposure to unknown future liabilities. (*See* Occurrence policy)

**COBRA**

Short for Consolidated Omnibus Budget Reconciliation Act. A federal law under which group health plans sponsored by employers with 20 or more employees must offer continuation of coverage to employees who leave their jobs and their dependents. The employee must pay the entire premium. Coverage can be extended up to 18 months. Surviving dependents can receive longer coverage.

**COINSURANCE**

In property insurance, requires the policyholder to carry insurance equal to a specified percentage of the value of property to receive full payment on a loss. For health insurance, it is a percentage of each claim above the deductible paid by the policyholder. For a 20 percent health insurance coinsurance clause, the policyholder pays for the deductible plus 20 percent of his covered losses. After paying 80 percent of losses up to a specified ceiling, the insurer starts paying 100 percent of losses.

**COLLATERAL**

Property that is offered to secure a loan or other credit and that becomes subject to seizure on default. Also called security.

**\*COLLATERAL ASSIGNMENT**

A temporary transfer of some of the ownership rights in a particular property, such as a life insurance policy or an annuity contract, as collateral for a loan. The transfer is made on the condition that upon payment of the debt for which the contract is collateral, all transferred rights shall revert back to the original owner. *Contrast with* absolute assignment.

**COLLATERAL SOURCE RULE**

Bars the introduction of information that indicates a person has been compensated or reimbursed by a source other than the defendant in civil actions related to negligence or other liability.

**COLLISION COVERAGE**

Portion of an auto insurance policy that covers the damage to the policyholder's car from a collision.

**COMBINED RATIO**

Percentage of each premium dollar a property/casualty insurer spends on claims and expenses. A decrease in the combined ratio means financial results are improving; an increase means they are deteriorating.

**COMMERCIAL GENERAL LIABILITY INSURANCE/CGL**

A broad commercial policy that covers all liability exposures of a business that are not specifically excluded. Coverage includes product liability, completed operations, premises and operations, and independent contractors.

**COMMERCIAL LINES**

Products designed for and bought by businesses. Among the major coverages are boiler and machinery, business income, commercial auto, comprehensive general liability, directors and officers liability, fire and allied lines, inland marine, medical malpractice liability, product liability, professional liability, surety and fidelity, and workers compensation. Most of these commercial coverages can be purchased separately except business income, which must be added to a fire insurance (property) policy. (*See* Commercial multiple peril policy)

**COMMERCIAL MULTIPLE PERIL POLICY**

Package policy that includes property, boiler and machinery, crime and general liability coverages.

**COMMERCIAL PAPER**

Short-term, unsecured, and usually discounted promissory note issued by commercial firms and financial companies often to finance current business. Commercial paper, which is rated by debt rating agencies, is sold through dealers or directly placed with an investor.

**COMMISSION**

Fee paid to an agent or insurance salesperson as a percentage of the policy premium. The percentage varies widely depending on coverage, the insurer, and the marketing methods.

**COMMUNITY RATING LAWS**

Enacted in several states on health insurance policies. Insurers are required to accept all applicants for coverage and charge all applicants the same premium for the same coverage regardless of age or health. Premiums are based on the rate determined by the geographic region's health and demographic profile.

**\*COMMUTATIVE CONTRACT**

An agreement under which the contracting parties specify the values that they will exchange; moreover, the parties generally exchange items or services that they think are of relatively equal value. *Contrast with* aleatory contract.

**COMPETITIVE REPLACEMENT PARTS**

*See* Crash parts; Generic auto parts.

**COMPETITIVE STATE FUND**

A facility established by a state to sell workers compensation in competition with private insurers.

**COMPLAINT RATIO**

A measure used by some state insurance departments to track consumer complaints against insurance companies. Generally, it is stated as the number of complaints upheld against an insurance company, as a percentage of premiums written. In some states, complaints from medical providers over the promptness of payments may also be included.

**COMPLETED OPERATIONS COVERAGE**

Pays for bodily injury or property damage caused by a completed project or job. Protects a business that sells a service against liability claims.

**COMPREHENSIVE COVERAGE**

Portion of an auto insurance policy that covers damage to the policyholder's car not involving a collision with another car (including damage from fire, explosions, earthquakes, floods and riots), and theft.

**COMPULSORY AUTO INSURANCE**

The minimum amount of auto liability insurance that meets a state law. Financial responsibility laws in every state require all automobile drivers to show proof, after an accident, of their ability to pay damages up to the state minimum. In compulsory liability states this proof, which is usually in the form of an insurance policy, is required before you can legally drive a car.

**\*CONTESTABLE PERIOD**

The time during which an insurer has the right to cancel or rescind an insurance policy if the application contained a material misrepresentation. (*See* Incontestability provision)

**\*CONTINGENT BENEFICIARY**

The party designated to receive the proceeds of a life insurance policy following the insured's death if the primary beneficiary predeceased the insured. Also known as secondary beneficiary and successor beneficiary. (*See* Primary beneficiary)

**CONTINGENT LIABILITY**

Liability of individuals, corporations, or partnerships for accidents caused by people other than employees for whose acts or omissions the corporations or partnerships are responsible.

**\*CONVERTIBLE TERM INSURANCE POLICY**

A term life insurance policy that gives the policy owner the right to convert the policy to a permanent plan of insurance.

**COVERAGE**

Synonym for insurance.

**CRASH PARTS**

Sheet metal parts that are most often damaged in a car crash. (*See* Generic auto parts)

**CREDIT**

The promise to pay in the future in order to buy or borrow in the present. The right to defer payment of debt.

**CREDIT DERIVATIVES**

A contract that enables a user, such as a bank, to better manage its credit risk. A way of transferring credit risk to another party.

**CREDIT ENHANCEMENT**

A technique to lower the interest payments on a bond by raising the issue's credit rating, often through insurance in the form of a financial guarantee or with standby letters of credit issued by a bank.

**CREDIT INSURANCE**

Commercial coverage against losses resulting from the failure of business debtors to pay their obligation to the insured, usually due to insolvency. The coverage is geared to manufacturers, wholesalers and service providers who may be dependent on a few accounts and therefore could lose significant income in the event of an insolvency.

**CREDIT LIFE INSURANCE**

Life insurance coverage on a borrower designed to repay the balance of a loan in the event the borrower dies before the loan is repaid. It may also include disablement and can be offered as an option in connection with credit cards and auto loans.

**CREDIT RATING**

See Bond rating.

**CREDIT SCORE**

The number produced by an analysis of an individual's credit history. The use of credit information affects all consumers in many ways, including getting a job, finding a place to live, securing a loan, getting telephone service and buying insurance. Credit history is routinely reviewed by insurers before issuing a commercial policy because businesses in poor financial condition tend to cut back on safety, which can

lead to more accidents and more claims. Auto and home insurers may use information in a credit history to produce an insurance score. Insurance scores may be used in underwriting and rating insurance policies. (See Insurance score)

**CRIME INSURANCE**

Term referring to property coverages for the perils of burglary, theft and robbery.

**\*CRITICAL ILLNESS (CI) INSURANCE**

A type of individual health insurance that pays a lump-sum benefit when the insured is diagnosed with a specified illness. Also known as critical diagnosis insurance. *Contrast with* specified disease coverage.

**CROP-HAIL INSURANCE**

Protection against damage to growing crops from hail, fire or lightning provided by the private market. By contrast, multiple peril crop insurance covers a wider range of yield reducing conditions, such as drought and insect infestation, and is subsidized by the federal government.

**\*CURRENT ASSUMPTION  
WHOLE LIFE INSURANCE**

See Interest-sensitive insurance.

**D****\*DEATH BENEFIT**

(1) For a life insurance contract, the amount of money paid by an insurer to a beneficiary when a person insured under the life insurance policy dies. (2) For an annuity contract, the amount of money paid to a beneficiary if the contract owner dies before the annuity payments begin.

**DECLARATION**

Part of a property or liability insurance policy that states the name and address of policyholder, property insured, its location and description, the policy period, premiums and supplemental information. Referred to as the "dec page."

**\*DECLINED RISK CLASS**

In insurance underwriting, the group of proposed insureds whose impairments or anticipated extra mortality are so great that an insurer cannot provide insurance coverage to them at an affordable cost. Also known as uninsurable class. *Contrast with* preferred risk class, standard risk class and substandard risk class.

**\*DECREASING TERM LIFE INSURANCE**

Term life insurance that provides a death benefit that decreases in amount over the policy term. *Contrast with* increasing term life insurance.

**DEDUCTIBLE**

The amount of loss paid by the policyholder. Either a specified dollar amount, a percentage of the claim amount, or a specified amount of time that must elapse before benefits are paid. The bigger the deductible, the lower the premium charged for the same coverage.

**DEFERRED ANNUITY**

An annuity contract, also referred to as an investment annuity, that is purchased either with a single tax-deferred premium or with periodic tax-deferred premiums over time. Payments begin at a predetermined point in time, such as retirement. Money contributed to such an annuity is intended primarily to grow tax-deferred for future use.

**DEFINED BENEFIT PLAN**

A retirement plan under which pension benefits are fixed in advance by a formula based generally on years of service to the company multiplied by a specific percentage of wages, usually average earnings over that period or highest average earnings over the final years with the company.

**DEFINED CONTRIBUTION PLAN**

An employee benefit plan under which the employer sets up benefit accounts and contributions are made to it by the employer and by the employee. The employer usually matches the employee's contribution up to a stated limit.

**DEMAND DEPOSIT**

Customer assets that are held in a checking account. Funds can be readily withdrawn by check, "on demand."

**DEMUTUALIZATION**

The conversion of insurance companies from mutual companies owned by their policyholders into publicly traded stock companies.

**DEPENDENT LIFE INSURANCE**

*See* Family benefit coverage.

**DEPOSITORY INSTITUTION**

Financial institutions that obtain their funds mainly through deposits from the public. They include commercial banks, savings and loan associations, savings banks and credit unions.

**DEREGULATION**

In insurance, reducing regulatory control over insurance rates and forms. Commercial insurance for businesses of a certain size has been deregulated in many states.

**DERIVATIVES**

Contracts that derive their value from an underlying financial asset, such as publicly traded securities and foreign currencies. Often used as a hedge against changes in value.

**DIFFERENCE IN CONDITIONS**

Policy designed to fill in gaps in a business's commercial property insurance coverage. There is no standard policy. Policies are specifically tailored to the policyholder's needs.

**DIMINUTION OF VALUE**

The idea that a vehicle loses value after it has been damaged in an accident and repaired.

**DIRECT PREMIUMS**

Property/casualty premiums collected by the insurer from policyholders, before reinsurance premiums are deducted. Insurers share some direct premiums and the risk involved with their reinsurers.

**DIRECT SALES/DIRECT RESPONSE**

Method of selling insurance directly to the insured through an insurance company's own employees, through the mail, by telephone or via the Internet. This is in lieu of using captive or exclusive agents.

**DIRECT WRITERS**

Insurance companies that sell directly to the public using exclusive agents or their own employees, through the mail, by telephone or via the Internet. Large insurers, whether predominately direct writers or agency companies, are increasingly using many different channels to sell insurance. In reinsurance, denotes reinsurers that deal directly with the insurance companies they reinsure without using a broker.

**DIRECTORS AND OFFICERS LIABILITY INSURANCE/D&O**

Directors and officers liability insurance (D&O) covers directors and officers of a company for negligent acts or omissions and for misleading statements that result in suits against the company. There are a variety of D&O coverages. Corporate reimbursement coverage indemnifies directors and officers of the organization. Side-A coverage provides D&O coverage for personal liability when directors and officers are not indemnified by the firm. Entity coverage, for claims made specifically against the company, is also available. D&O policies may be broadened to include coverage for employment practices liability.

**\*DISABILITY**

In disability insurance, the inability of an insured person to work due to an injury or sickness. Each disability policy has a definition of disability that must be satisfied in order for the insured to receive the policy's benefits. (*See* Residual disability; Total disability)

**\*DISABILITY INCOME INSURANCE**

A type of health insurance designed to compensate an insured person for a portion of the income lost because of a disabling injury

or illness. Benefit payments are made either weekly or monthly for a specified period during the continuance of an insured's disability. (*See* income protection insurance)

**\*DIVIDEND ACCUMULATIONS OPTION**

*See* Accumulation at interest option.

**DIVIDENDS**

Money returned to policyholders from an insurance company's earnings. Considered a partial premium refund rather than a taxable distribution, reflecting the difference between the premium charged and actual losses. Many life insurance policies and some property/casualty policies pay dividends to their owners. Life insurance policies that pay dividends are called participating policies.

**DOMESTIC INSURANCE COMPANY**

Term used by a state to refer to any company incorporated there.

**\*DOUBLE INDEMNITY BENEFIT**

An accidental death benefit that is equal to the face amount of a life insurance policy's basic death benefit and is paid when the insured's death is the result of an accident as defined in the policy. (*See* Accidental death benefit/ADB)

**DREAD DISEASE COVERAGE**

*See* Specified disease coverage.

**E****EARLY WARNING SYSTEM**

A system of measuring insurers' financial stability set up by insurance industry regulators. An example is the Insurance Regulatory Information System (IRIS), which uses financial ratios to identify insurers in need of regulatory attention.

**EARNED PREMIUM**

The portion of premium that applies to the expired part of the policy period. Insurance premiums are payable in advance but the insurance company does not fully earn them until the policy period expires.

**EARTHQUAKE INSURANCE**

Covers a building and its contents, but includes a large percentage deductible on each. A special policy or endorsement exists because earthquakes are not covered by standard homeowners or most business policies.

**ECONOMIC LOSS**

Total financial loss resulting from the death or disability of a wage earner, or from the destruction of property. Includes the loss of earnings, medical expenses, funeral expenses, the cost of restoring or replacing property and legal expenses. It does not include noneconomic losses, such as pain caused by an injury.

**ELECTRONIC COMMERCE/E-COMMERCE**

The sale of products such as insurance over the Internet.

**ELIMINATION PERIOD**

A kind of deductible or waiting period usually found in disability policies. It is counted in days from the beginning of the illness or injury.

**EMPLOYEE DISHONESTY COVERAGE**

Covers direct losses and damage to businesses resulting from the dishonest acts of employees. (See Fidelity bond)

**EMPLOYEE RETIREMENT INCOME SECURITY ACT/ERISA**

Federal legislation that protects employees by establishing minimum standards for private pension and welfare plans.

**EMPLOYER'S LIABILITY**

Part B of the workers compensation policy that provides coverage for lawsuits filed by injured employees who, under certain circumstances, can sue under common law. (See Exclusive remedy)

**EMPLOYMENT PRACTICES LIABILITY COVERAGE**

Liability insurance for employers that covers wrongful termination, discrimination and other violations of employees' legal rights.

**ENDORSEMENT**

A written form attached to an insurance policy that alters the policy's coverage, terms, or conditions. Sometimes called a rider.

**\*ENDOWMENT INSURANCE**

Life insurance that provides a policy benefit payable either when the insured dies or on a stated date if the insured is still alive on that date.

**ENVIRONMENTAL IMPAIRMENT LIABILITY COVERAGE**

A form of insurance designed to cover losses and liabilities arising from damage to property caused by pollution.

**EQUITY**

In investments, the ownership interest of shareholders. In a corporation, stocks as opposed to bonds.

**EQUITY INDEXED ANNUITY**

Nontraditional fixed annuity. The specified rate of interest guarantees a fixed minimum rate of interest like traditional fixed annuities. At the same time, additional interest may be credited to policy values based upon positive changes, if any, in an established index such as the S&P 500. The amount of additional interest depends upon the particular design of the policy. They are sold by licensed insurance agents and regulated by state insurance departments.

**ERRORS AND OMISSIONS COVERAGE/E&O**

A professional liability policy covering the policyholder for negligent acts and omissions that may harm his or her clients.

**ESCROW ACCOUNT**

Funds that a lender collects to pay monthly premiums in mortgage and homeowners insurance, and sometimes to pay property taxes.

**EXCESS AND SURPLUS LINES**

Property/casualty coverage that isn't available from insurers licensed by the state (called



admitted insurers) and must be purchased from a nonadmitted carrier.

### **EXCESS OF LOSS REINSURANCE**

A contract between an insurer and a reinsurer, whereby the insurer agrees to pay a specified portion of a claim and the reinsurer to pay all or a part of the claim above that amount.

### **EXCLUSION**

A provision in an insurance policy that eliminates coverage for certain risks, people, property classes, or locations.

### **EXCLUSIVE AGENT**

A captive agent, or a person who represents only one insurance company and is restricted by agreement from submitting business to any other company unless it is first rejected by the agent's company. (*See* Captive agent)

### **EXCLUSIVE REMEDY**

Part of the social contract that forms the basis for workers compensation statutes under which employers are responsible for work-related injury and disease, regardless of whether it was the employee's fault and in return the injured employee gives up the right to sue when the employer's negligence causes the harm.

### **EXPENSE RATIO**

Percentage of each premium dollar that goes to insurers' expenses including overhead, marketing and commissions.

### **EXPERIENCE**

Record of losses.

### **EXPOSURE**

Possibility of loss.

### **EXTENDED COVERAGE**

An endorsement added to an insurance policy, or clause within a policy, that provides additional coverage for risks other than those in a basic policy.

### **EXTENDED REPLACEMENT COST COVERAGE**

Pays a certain amount above the policy limit to replace a damaged home, generally 120 percent or 125 percent. Similar to a guaranteed replacement cost policy, which has no percentage limits. Most homeowner policy limits track inflation in building costs. Guaranteed and extended replacement cost policies are designed to protect the policyholder after a major disaster when the high demand for building contractors and materials can push up the normal cost of reconstruction. (*See* Guaranteed replacement cost coverage)

### **\*EXTENDED TERM INSURANCE OPTION**

One of several nonforfeiture options included in life insurance policies that allows the owner of a policy with a cash value to discontinue premium payments and to use the policy's net cash value to purchase term insurance for the full coverage amount provided under the original policy for as long a term as the net cash value can provide. (*See* Nonforfeiture options)

## **F**

**For definitions of 401(k) Plan, 403(b) Plan, and 529 Savings Plans, see page 21.**

### **\*FACE AMOUNT**

For a fixed-amount whole life insurance policy, the amount of the death benefit payable if the insured person dies while the policy is in force.

### **FACULTATIVE REINSURANCE**

A reinsurance policy that provides an insurer with coverage for specific individual risks that are unusual or so large that they aren't covered in the insurance company's reinsurance treaties. This can include policies for jumbo jets or oil rigs. Reinsurers have no obligation to take on facultative reinsurance, but can assess each risk individually. By contrast, under treaty reinsurance, the reinsurer agrees to assume a certain percentage of entire classes of business, such as various kinds of auto, up to preset limits.

### **FAIR ACCESS TO INSURANCE REQUIREMENTS PLANS/FAIR PLANS**

Insurance pools that sell property insurance to people who can't buy it in the voluntary market because of high risk over which they may have no control. FAIR Plans, which exist in 28 states and the District of Columbia, insure fire, vandalism, riot and windstorm losses, and some sell homeowners insurance which includes liability. Plans vary by state, but all require property insurers licensed in a state to participate in the pool and share in the profits and losses. (*See Residual market*)

### **\*FAMILY BENEFIT COVERAGE**

A type of supplementary benefit rider offered in conjunction with a life insurance policy that insures the lives of the insured's spouse and children. Also known as dependent life insurance and spouse and children's insurance rider.

### **FARMOWNERS-RANCHOWNERS INSURANCE**

Package policy that protects the policyholder against named perils and liabilities and usually covers homes and their contents, along with barns, stables and other structures.

### **FEDERAL FUNDS**

Reserve balances that depository institutions lend each other, usually on an overnight basis. In addition, Federal funds include certain other kinds of borrowing by depository institutions from each other and from federal agencies.

### **FEDERAL INSURANCE ADMINISTRATION/FIA**

Federal agency in charge of administering the National Flood Insurance Program. It does not regulate the insurance industry.

### **FEDERAL RESERVE BOARD**

Seven member board that supervises the banking system by issuing regulations controlling bank holding companies and federal laws over the banking industry. It also controls and oversees the U.S. monetary system and credit supply.

### **FIDELITY BOND**

A form of protection that covers policyholders for losses that they incur as a result of fraudulent acts by specified individuals. It usually insures a business for losses caused by the dishonest acts of its employees.

### **FIDUCIARY BOND**

A type of surety bond, sometimes called a probate bond, which is required of certain fiduciaries, such as executors and trustees, that guarantees the performance of their responsibilities.

### **FIDUCIARY LIABILITY**

Legal responsibility of a fiduciary to safeguard assets of beneficiaries. A fiduciary, for example a pension fund manager, is required to manage investments held in trust in the best interest of beneficiaries. Fiduciary liability insurance covers breaches of fiduciary duty such as misstatements or misleading statements, errors and omissions.

### **FILE-AND-USE STATES**

States where insurers must file rate changes with their regulators, but don't have to wait for approval to put them into effect.

### **FINANCIAL GUARANTEE INSURANCE**

Covers losses from specific financial transactions and guarantees that investors in debt instruments, such as municipal bonds, receive timely payment of principal and interest if there is a default. Raises the credit rating of debt to which the guarantee is attached. Investment bankers who sell asset-backed securities, securities backed by loan portfolios, use this insurance to enhance marketability. (*See Municipal bond insurance*)

### **FINANCIAL RESPONSIBILITY LAW**

A state law requiring that all automobile drivers show proof that they can pay damages up to a minimum amount if involved in an auto accident. Varies from state to state but can be met by carrying a minimum amount of auto liability insurance. (*See Compulsory auto insurance*)

**FINITE RISK REINSURANCE**

Contract under which the ultimate liability of the reinsurer is capped and on which anticipated investment income is expressly acknowledged as an underwriting component. Also known as financial reinsurance because this type of coverage is often bought to improve the balance sheet effects of statutory accounting principles.

**FIRE INSURANCE**

Coverage protecting property against losses caused by a fire or lightning that is usually included in homeowners or commercial multiple peril policies.

**FIRST-PARTY COVERAGE**

Coverage for the policyholder's own property or person. In no-fault auto insurance it pays for the cost of injuries. In no-fault states with the broadest coverage, the personal injury protection (PIP) part of the policy pays for medical care, lost income, funeral expenses and, where the injured person is not able to provide services such as child care, for substitute services. (See No-fault; Third-party coverage)

**FIXED ANNUITY**

An annuity that guarantees a specific rate of return. In the case of a deferred annuity, a minimum rate of interest is guaranteed during the savings phase. During the payment phase, a fixed amount of income, paid on a regular schedule, is guaranteed.

**\*FLEXIBLE PREMIUM**

A premium payment method sometimes offered in connection with annuities and with some types of life insurance that allows the contract owner or policy owner to alter the amount and the frequency of payments, within specified boundaries defined by the insurer and the law.

**FLOATER**

Attached to a homeowners policy, a floater insures movable property, covering losses wherever they may occur. Among the items

often insured with a floater are expensive jewelry, musical instruments and furs. It provides broader coverage than a regular homeowners policy for these items.

**FLOOD INSURANCE**

Coverage for flood damage is available from the federal government under the National Flood Insurance Program but is sold by licensed insurance agents. Flood coverage is excluded under homeowners policies and many commercial property policies. However, flood damage is covered under the comprehensive portion of an auto insurance policy. (See Adverse selection)

**FORCED PLACE INSURANCE**

Insurance purchased by a bank or creditor on an uninsured debtor's behalf so if the property is damaged, funding is available to repair it.

**FOREIGN INSURANCE COMPANY**

Name given to an insurance company based in one state by the other states in which it does business.

**FRAUD**

Intentional lying or concealment by policyholders to obtain payment of an insurance claim that would otherwise not be paid, or lying or misrepresentation by the insurance company managers, employees, agents and brokers for financial gain.

**\*FRATERNAL BENEFIT SOCIETY**

See Fraternal insurer.

**\*FRATERNAL INSURER**

A nonprofit organization that is operated solely for the benefit of its members and that provides its members with social and insurance benefits. Also known as fraternal benefit society.

**FREE-LOOK PERIOD**

A period of up to one month during which the purchaser of an annuity can cancel the contract with no penalty. Rules vary by state.

**FREQUENCY**

Number of times a loss occurs. One of the criteria used in calculating premium rates.

**FRONTING**

A procedure in which a primary insurer acts as the insurer of record by issuing a policy, but then passes the entire risk to a reinsurer in exchange for a commission. Often, the fronting insurer is licensed to do business in a state or country where the risk is located, but the reinsurer is not. The reinsurer in this scenario is often a captive or an independent insurance company that cannot sell insurance directly in a particular country.

**FUTURES**

Agreement to buy a security for a set price at a certain date. Futures contracts usually involve commodities, indexes or financial futures.

**G****GAP INSURANCE**

An automobile insurance option, available in some states, that covers the difference between a car's actual cash value when it is stolen or wrecked and the amount the consumer owes the leasing or finance company. Mainly used for leased cars. (See Actual cash value)

**\*GENERAL ACCOUNT**

An undivided investment account in which insurers maintain funds that support contractual obligations for guaranteed insurance products such as whole life insurance or fixed-rate annuities. *Contrast with separate account.*

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES/GAAP**

Generally accepted accounting principles (GAAP) accounting is used in financial statements that publicly held companies prepare for the Securities and Exchange Commission. (See Statutory accounting principles/SAP)

**GENERIC AUTO PARTS**

Auto crash parts produced by firms that are not associated with car manufacturers. Insurers consider these parts, when certified, at least as good as those that come from the original equipment manufacturer (OEM). They are often cheaper than the identical part produced by the OEM. (See Crash parts; Aftermarket parts; Competitive replacement parts; Original equipment manufacturer parts/OEM)

**GLASS INSURANCE**

Coverage for glass breakage caused by all risks; fire and war are sometimes excluded. Insurance can be bought for windows, structural glass, leaded glass and mirrors. Available with or without a deductible.

**\*GRACE PERIOD**

(1) For insurance premium payments, a specified length of time following a premium due date within which the renewal premium may be paid without penalty. The length of the grace period is specified in a grace period provision that is found in a life insurance, health insurance, or annuity policy. (2) For purchases made on credit, a period of time between the date of a purchase and the date the lender begins to charge interest during which no interest accrues.

**\*GRADED PREMIUM POLICY**

A type of modified-premium whole life policy that calls for three or more levels of annual premium payment amounts, increasing at specified points in time—such as every three years—until reaching the amount to be paid as a level premium for the rest of the life of the policy.

**GRADUATED DRIVER LICENSES**

Licenses for younger drivers that allow them to improve their skills. Regulations vary by state, but often restrict nighttime driving. Young drivers receive a learner's permit, followed by a provisional license, before they can receive a standard driver's license.

**GRAMM-LEACH-BLILEY ACT**

Financial services legislation, passed by Congress in 1999, that removed Depression era prohibitions against the combination of commercial banking and investment banking activities. It allows insurance companies, banks and securities firms to engage in each others' activities and own one another.

**\*GROSS ANNUITY COST**

A monetary amount equal to the present value of future periodic income payments under an annuity contract, calculated on a gross basis, with a specific provision for expense loading. *Contrast with* net annuity cost.

**GROUP INSURANCE**

A single policy covering a group of individuals, usually employees of the same company or members of the same association and their dependents. Coverage occurs under a master policy issued to the employer or association.

**GUARANTEE PERIOD**

Period during which the level of interest specified under a fixed annuity is guaranteed.

**GUARANTEED DEATH BENEFIT**

Basic death benefits guaranteed under variable annuity contracts.

**GUARANTEED INCOME CONTRACT/GIC**

Often an option in an employer-sponsored retirement savings plan. Contract between an insurance company and the plan that guarantees a stated rate of return on invested capital over the life of the contract.

**\*GUARANTEED INSURABILITY (GI) BENEFIT**

A supplementary life insurance policy benefit often provided through a policy rider that gives the policy owner the right to purchase additional insurance of the same type as the life insurance policy that provides the GI benefit on specified option dates. Also known as guaranteed insurability option (GIO).

**GUARANTEED LIVING BENEFIT**

A guarantee in a variable annuity that a certain level of annuity payment will be maintained. Serves as a protection against investment risks. Several types exist.

**\*GUARANTEED RENEWABLE POLICY**

An individual health insurance policy that requires the insurer to renew the policy—as long as premium payments are made—at least until the insured attains a specified age. The insurer can change premium rates for broad classes of insureds but not for an individual insured. *Contrast with* noncancellable and guaranteed renewable policy.

**GUARANTEED REPLACEMENT COST COVERAGE**

Homeowners policy that pays the full cost of replacing or repairing a damaged or destroyed home, even if it is above the policy limit. (*See* Extended replacement cost coverage)

**GUARANTY FUND**

The mechanism by which solvent insurers ensure that some of the policyholder and third-party claims against insurance companies that fail are paid. Such funds are required in all 50 states, the District of Columbia and Puerto Rico, but the type and amount of claim covered by the fund varies from state to state. Some states pay policyholders' unearned premiums—the portion of the premium for which no coverage was provided because the company was insolvent. Some have deductibles. Most states have no limits on workers compensation payments. Guaranty funds are supported by assessments on insurers doing business in the state.

**GUN LIABILITY**

A legal concept that holds gun manufacturers liable for the cost of injuries caused by guns. Several cities have filed lawsuits based on this concept.

**H****HACKER INSURANCE**

A coverage that protects businesses engaged in electronic commerce from losses caused by hackers.

**HARD MARKET**

A seller's market in which insurance is expensive and in short supply. (*See* Property/casualty insurance cycle)

**HOMEOWNERS INSURANCE POLICY**

The typical homeowners insurance policy covers the house, the garage and other structures on the property, as well as personal possessions inside the house such as furniture, appliances and clothing, against a wide variety of perils including windstorms, fire and theft. The extent of the perils covered depends on the type of policy. An all-risk policy offers the broadest coverage. This covers all perils except those specifically excluded in the policy. Homeowners insurance also covers additional living expenses. Known as Loss of Use, this provision in the policy reimburses the policyholder for the extra cost of living elsewhere while the house is being restored after a disaster. The liability portion of the policy covers the homeowner for accidental injuries caused to third parties and/or their property, such as a guest slipping and falling down improperly maintained stairs. Coverage for flood and earthquake damage is excluded and must be purchased separately. (*See* Flood insurance; Earthquake insurance)

**HOUSE YEAR**

Equal to 365 days of insured coverage for a single dwelling. It is the standard measurement for homeowners insurance.

**HURRICANE DEDUCTIBLE**

A percentage or dollar amount added to a homeowners insurance policy to limit an insurer's exposure to loss from a hurricane. Higher deductibles are instituted in higher risk areas, such as coastal regions. Specific details, such

as the intensity of the storm necessary for the deductible to be triggered and the extent of the high risk area, vary from insurer to insurer and state to state.

**I****IDENTITY THEFT INSURANCE**

Coverage for expenses incurred as the result of an identity theft. Can include costs for notarizing fraud affidavits and certified mail, lost income from time taken off from work to meet with law enforcement personnel or credit agencies, fees for reapplying for loans and attorney's fees to defend against lawsuits and remove criminal or civil judgments.

**IMMEDIATE ANNUITY**

A product purchased with a lump sum, usually at the time retirement begins or afterwards. Payments begin within about a year. Immediate annuities can be either fixed or variable.

**\*INCOME DATE**

The date on which an insurer begins or is scheduled to begin making annuity benefit payments under an annuity contract. Also known as maturity date and annuity date.

**\*INCOME PROTECTION INSURANCE**

A type of disability income coverage that provides an income benefit both, while the insured is totally disabled and unable to work and while he is able to work, but because of a disability, is earning less than he earned before being disabled. Also known as residual disability insurance.

**\*INCONTESTABILITY PROVISION**

An insurance and annuity policy provision that limits the time within which an insurer has the right to avoid the contract on the ground of material misrepresentation in the application for the policy. Also known as incontestable clause. (*See* Contestable period; Time limit on certain defenses provision)

**\*INCREASING TERM LIFE INSURANCE**

A type of term life insurance that provides a death benefit that increases by some specified amount or percentage at stated intervals over the policy term. *Contrast with* decreasing term life insurance.

**INCURRED BUT NOT REPORTED LOSSES/IBNR**

Losses that are not filed with the insurer or reinsurer until years after the policy is sold. Some liability claims may be filed long after the event that caused the injury to occur. Asbestos-related diseases, for example, do not show up until decades after the exposure. IBNR also refers to estimates made about claims already reported but where the full extent of the injury is not yet known, such as a workers compensation claim where the degree to which work-related injuries prevents a worker from earning what he or she earned before the injury unfolds over time. Insurance companies regularly adjust reserves for such losses as new information becomes available.

**INCURRED LOSSES**

Losses occurring within a fixed period, whether or not adjusted or paid during the same period.

**INDEMNIFY**

Provide financial compensation for losses.

**INDEPENDENT AGENT**

Agent who is self-employed, is paid on commission, and represents several insurance companies. (*See* Captive agent)

**\*INDETERMINATE PREMIUM LIFE INSURANCE POLICY**

A type of nonparticipating whole life policy that specifies two premium rates—both a maximum guaranteed rate and a lower rate. The insurer charges the lower premium rate when the policy is purchased and guarantees that rate for at least a stated period of time, after which the insurer uses its actual mortality, interest, and expense experience to establish a new premium rate that may be higher or lower than the previous

premium rate. Also known as nonguaranteed premium life insurance policy and variable premium life insurance policy.

**INDEXED LIFE INSURANCE CONTRACT**

An arrangement similar to a universal life contract. Death benefit amounts are based on the amount selected by the policyholder plus the account value. The policyholder's account value is linked to cumulative returns based on the S&P 500 index or some other tied index. An essential component of the contract is that the cash surrender value is also linked to a tied index. Typically, the tied index doesn't include dividends. There may be additional constraints on the amount that the insurance company will credit as interest under this policy.

**INDIVIDUAL RETIREMENT ACCOUNT/IRA**

A tax-deductible savings plan for those who are self-employed, or those whose earnings are below a certain level or whose employers do not offer retirement plans. Others may make limited contributions on a tax-deferred basis. The Roth IRA, a special kind of retirement account created in 1997, may offer greater tax benefits to certain individuals.

**INFLATION GUARD CLAUSE**

A provision added to a homeowners insurance policy that automatically adjusts the coverage limit on the dwelling each time the policy is renewed to reflect current construction costs.

**INLAND MARINE INSURANCE**

This broad type of coverage was developed for shipments that do not involve ocean transport. Covers articles in transit by all forms of land and air transportation as well as bridges, tunnels and other means of transportation and communication. Floaters that cover expensive personal items such as fine art and jewelry are included in this category. (*See* Floater)

**INSOLVENCY**

Insurer's inability to pay debts. Insurance insolvency standards and the regulatory actions taken vary from state to state. When regulators deem an insurance company is in danger of becoming insolvent, they can take one of three actions: place a company in conservatorship or rehabilitation, if the company can be saved, or in liquidation, if salvage is deemed impossible. The difference between the first two options is one of degree—regulators guide companies in conservatorship but direct those in rehabilitation. Typically the first sign of problems is inability to pass the financial tests regulators administer as a routine procedure. (*See* Liquidation; Risk-based capital)

**INSTITUTIONAL INVESTOR**

An organization such as a bank or insurance company that buys and sells large quantities of securities.

**\*INSURABLE INTEREST**

In insurance, a person exhibits an insurable interest in a potential loss if that person will suffer a genuine economic loss if the event insured against occurs. Without the presence of insurable interest, an insurance contract is not formed for a lawful purpose and, thus, is not a valid contract.

**INSURABLE RISK**

Risks for which it is relatively easy to get insurance and that meet certain criteria. These include being definable, accidental in nature, and part of a group of similar risks large enough to make losses predictable. The insurance company also must be able to come up with a reasonable price for the insurance.

**INSURANCE**

A system to make large financial losses more affordable by pooling the risks of many individuals and business entities and transferring them to an insurance company or other large group in return for a premium.

**INSURANCE POOL**

A group of insurance companies that pools its assets, enabling them to provide an amount of insurance substantially more than can be provided by individual companies to ensure large risks such as nuclear power stations. Pools may be formed voluntarily or mandated by the state to insure risks that cannot be covered in the voluntary market such as coastal properties subject to hurricanes. (*See* Beach and windstorm plans; Fair access to insurance requirements plans/FAIR plans; Joint underwriting association/JUA)

**INSURANCE REGULATORY INFORMATION SYSTEM/IRIS**

Uses financial ratios to measure insurers' financial strength. Developed by the National Association of Insurance Commissioners. Each individual state insurance department chooses how to use IRIS.

**INSURANCE SCORE**

Insurance scores are confidential rankings based on credit information. This includes whether the consumer has made timely payments on loans, the number of open credit card accounts and whether a bankruptcy filing has been made. An insurance score is a measure of how well consumers manage their financial affairs, not of their financial assets. It does not include information about income or race. Studies have shown that people who manage their money well tend also to manage their most important asset, their home, well. And people who manage their money responsibly also tend to drive a car responsibly. Some insurance companies use insurance scores as an insurance underwriting and rating tool.

**INSURANCE-TO-VALUE**

Insurance written in an amount approximating the value of the insured property.



**INTEGRATED BENEFITS**

Coverage where the distinction between job-related and non-occupational illnesses or injuries is eliminated and workers compensation and general health coverage are combined. Legal obstacles exist, however, because the two coverages are administered separately. Previously called twenty-four hour coverage.

**\*INTEREST-ADJUSTED COST COMPARISON INDEX**

A cost comparison index used to compare life insurance policy costs that takes into account the time value of money. By comparing the index numbers derived for similar life insurance policies, a consumer has some basis on which to compare the costs of the policies. (See Net payment cost comparison index; Surrender cost comparison index)

**\*INTEREST-SENSITIVE INSURANCE**

A general category of insurance products in which the face amount and/or the cash value vary according to the insurer's investment earnings.

**INTERMEDIATION**

The process of bringing savers, investors and borrowers together so that savers and investors can obtain a return on their money and borrowers can use the money to finance their purchases or projects through loans.

**INTERNET INSURER**

An insurer that sells exclusively via the Internet.

**INTERNET LIABILITY INSURANCE**

Coverage designed to protect businesses from liabilities that arise from the conducting of business over the Internet, including copyright infringement, defamation and violation of privacy.

**INVESTMENT ANNUITY**

See Deferred annuity.

**INVESTMENT INCOME**

Income generated by the investment of assets. Insurers have two sources of income, underwriting (premiums less claims and expenses) and investment income. The latter can offset underwriting operations, which are frequently unprofitable.

**\*IRREVOCABLE BENEFICIARY**

A life insurance policy beneficiary who has a vested interest in the policy proceeds even during the insured's lifetime because the policy owner has the right to change the beneficiary designation only after obtaining the beneficiary's consent. *Contrast with* revocable beneficiary.

**J****JOINT AND SURVIVOR ANNUITY**

An annuity with two annuitants, usually spouses. Payments continue until the death of the longest living of the two.

**JOINT UNDERWRITING ASSOCIATION/JUA**

Insurers that join together to provide coverage for a particular type of risk or size of exposure, when there are difficulties in obtaining coverage in the regular market, and which share in the profits and losses associated with the program. JUAs may be set up to provide auto and homeowners insurance and various commercial coverages, such as medical malpractice. (See Assigned risk plans; Residual market)

**JUNK BONDS**

Corporate bonds with credit ratings of BB or less. They pay a higher yield than investment grade bonds because issuers have a higher perceived risk of default. Such bonds involve market risk that could force investors, including insurers, to sell the bonds when their value is low. Most states place limits on insurers' investments in these bonds. In general, because property/casualty insurers can be called upon to provide huge sums of money immediately after a disaster, their investments must be liquid.

Less than 2 percent are in real estate and a similarly small percent are in junk bonds.

### **JOINT AND SURVIVOR ANNUITY**

An annuity with two annuitants, usually spouses. Payments continue until the death of the longest living of the two.

## **K**

### **KEY PERSON INSURANCE**

Insurance on the life or health of a key individual whose services are essential to the continuing success of a business and whose death or disability could cause the firm a substantial financial loss.

### **KIDNAP/RANSOM INSURANCE**

Coverage up to specific limits for the cost of ransom or extortion payments and related expenses. Often bought by international corporations to cover employees. Most policies have large deductibles and may exclude certain geographic areas. Some policies require that the policyholder not reveal the existence of the coverage.

## **L**

### **L-SHARE VARIABLE ANNUITIES**

A form of variable annuity contract usually with short surrender periods and higher mortality and expense risk charges.

### **LADDERING**

A technique that consists of staggering the maturity dates and the mix of different types of bonds.

### **\*LAPSE**

The termination of an insurance policy because a renewal premium is not paid by the end of the grace period.

### **LAW OF LARGE NUMBERS**

The theory of probability on which the business of insurance is based. Simply put, this mathe-

matical premise says that the larger the group of units insured, such as sport-utility vehicles, the more accurate the predictions of loss will be.

### **\*LEVEL PREMIUM POLICIES**

Premiums paid for a life insurance policy or for a deferred annuity that remain the same each year that the contract is in force. *Contrast with* modified premium policies and single premium policies.

### **LIABILITY INSURANCE**

Insurance for what the policyholder is legally obligated to pay because of bodily injury or property damage caused to another person.

### **\*LIFE ANNUITY**

A type of annuity contract that guarantees periodic income payments throughout the lifetime of a named individual—the annuitant. If a life annuity provides no further benefits after the death of the annuitant, the annuity is known as a straight life annuity. However, some life annuities provide that income payments will be paid either for the life of the annuitant or for a guaranteed period—life income with period certain—or at least until a guaranteed amount has been paid—life income with refund annuity. (*See* Life annuity with period certain; Life income with refund annuity; Straight life annuity)

### **\*LIFE ANNUITY WITH PERIOD CERTAIN**

A type of annuity contract that guarantees periodic income payments throughout the lifetime of a named individual—the annuitant—and guarantees that the payments will continue for at least a specified period. If the annuitant dies before the end of that specified period, the payments will continue to be paid until the end of the period to a beneficiary designated by the annuitant. (*See* Life annuity)

### **\*LIFE INCOME WITH REFUND ANNUITY**

A type of annuity contract that guarantees specified periodic income payments throughout the lifetime of a named individual—the annuitant—and guarantees that a refund will be made if the annuitant dies before the total of the periodic

payments made equals the amount paid for the annuity. Also known as refund annuity. (*See* Life annuity)

**LIFE INSURANCE**

Protection against the death of a policyholder in the form of a payment to a beneficiary. (*See* Ordinary life insurance; Term insurance; Variable life insurance; Whole life insurance)

**LIMITED PAYMENT LIFE INSURANCE**

Life insurance policy with premiums that are fully paid up within a stated period of time, such as 20 years.

**LIMITS**

Maximum amount of insurance that can be paid for a covered loss.

**LINE**

Type or kind of insurance.

**LIQUIDATION**

Enables the state insurance department as liquidator or its appointed deputy to wind up the insurance company's affairs by selling its assets and settling claims upon those assets. After receiving the liquidation order, the liquidator notifies insurance departments in other states and state guaranty funds of the liquidation proceedings. Such insurance company liquidations are not subject to the Federal Bankruptcy Code but to each state's liquidation statutes.

**LIQUIDITY**

The ability and speed with which a security can be converted into cash.

**LIQUOR LIABILITY**

Coverage for bodily injury or property damage caused by an intoxicated person who was served liquor by the policyholder.

**LIVING BENEFIT RIDER**

An addition to a policy that enables early payout of anticipated death benefits. The rider affords terminally ill policyholders an additional source of funds to pay medical bills and maintain their lifestyle.

**LLOYD'S OF LONDON**

A marketplace where underwriting syndicates, or mini-insurers, gather to sell insurance policies and reinsurance. Each syndicate is managed by an underwriter who decides whether or not to accept the risk. The Lloyd's market is a major player in the international reinsurance market as well as a primary market for marine insurance and large risks. Originally, Lloyd's was a London coffee house in the 1600s patronized by shipowners who insured each other's hulls and cargoes. As Lloyd's developed, wealthy individuals, called "Names," placed their personal assets behind insurance risks as a business venture. Increasingly since the 1990s, most of the capital comes from corporations.

**LLOYDS**

Corporation formed to market services of a group of underwriters. Does not issue insurance policies or provide insurance protection. Insurance is written by individual underwriters, with each assuming a part of every risk. Has no connection to Lloyd's of London, and is found primarily in Texas.

**LONG-TERM CARE INSURANCE**

Long-term care (LTC) insurance pays for services to help individuals who are unable to perform certain activities of daily living without assistance, or require supervision due to a cognitive impairment such as Alzheimer's disease. LTC is available as individual insurance or through an employer-sponsored or association plan.

**\*LONG-TERM DISABILITY INCOME INSURANCE**

A type of disability income insurance that provides disability income benefits after short-term disability income benefits terminate and continues until the earlier of the date when the insured person returns to work, dies, or becomes eligible for pension benefits. *Contrast with* short-term disability income insurance.

**LOSS**

A reduction in the quality or value of a property, or a legal liability.

**LOSS ADJUSTMENT EXPENSES**

The sum insurers pay for investigating and settling insurance claims, including the cost of defending a lawsuit in court.

**LOSS COSTS**

The portion of an insurance rate used to cover claims and the costs of adjusting claims. Insurance companies typically determine their rates by estimating their future loss costs and adding a provision for expenses, profit and contingencies.

**LOSS OF USE**

A provision in homeowners and renters insurance policies that reimburses policyholders for any extra living expenses due to having to live elsewhere while their home is being restored following a disaster.

**LOSS RATIO**

Percentage of each premium dollar an insurer spends on claims.

**LOSS RESERVES**

The company's best estimate of what it will pay for claims, which is periodically readjusted. They represent a liability on the insurer's balance sheet.

**M****MALPRACTICE INSURANCE**

Professional liability coverage for physicians, lawyers, and other specialists against suits alleging negligence or errors and omissions that have harmed clients.

**MANAGED CARE**

Arrangement between an employer or insurer and selected providers to provide comprehensive health care at a discount to members of the insured group and coordinate the financing and delivery of health care. Managed care uses

medical protocols and procedures agreed on by the medical profession to be cost effective, also known as medical practice guidelines.

**MANUAL**

A book published by an insurance or bonding company or a rating association or bureau that gives rates, classifications and underwriting rules.

**MARINE INSURANCE**

Coverage for goods in transit, and for the commercial vehicles that transport them, on water and over land. The term may apply to inland marine but more generally applies to ocean marine insurance. Covers damage or destruction of a ship's hull and cargo and perils include collision, sinking, capsizing, being stranded, fire, piracy and jettisoning cargo to save other property. Wear and tear, dampness, mold, and war are not included. (*See* Inland marine; Ocean marine)

**\*MATURITY DATE**

(1) For endowment in insurance, the date on which an insurer will pay the face amount of an endowment policy to the policy owner if the insured is still living. (2) In investing, the date on which a bond issuer must repay to the bondholder the amount originally borrowed. (3) For an annuity, the date on which the insurer begins to make annuity payments. Also known as income date.

**McCARRAN-FERGUSON ACT**

Federal law signed in 1945 in which Congress declared that states would continue to regulate the insurance business. Grants insurers a limited exemption from federal antitrust legislation.

**MEDIATION**

Nonbinding procedure in which a third party attempts to resolve a conflict between two other parties.

**MEDICAID**

A federal/state public assistance program created in 1965 and administered by the states for

people whose income and resources are insufficient to pay for health care.

**\*MEDICAL INFORMATION BUREAU**

See MIB, Inc.

**MEDICAL MALPRACTICE INSURANCE**

See Malpractice insurance.

**MEDICAL PAYMENTS INSURANCE**

A coverage in which the insurer agrees to reimburse the insured and others up to a certain limit for medical or funeral expenses as a result of bodily injury or death by accident. Payments are without regard to fault.

**MEDICAL UTILIZATION REVIEW**

The practice used by insurance companies to review claims for medical treatment.

**MEDICARE**

Federal program for people 65 or older that pays part of the costs associated with hospitalization, surgery, doctors' bills, home health care and skilled nursing care.

**MEDIGAP/MEDSUP**

Policies that supplement federal insurance benefits particularly for those covered under Medicare.

**\*MIB, INC.**

A nonprofit organization established to provide information to insurers about impairments that applicants have admitted to, or that other insurers have detected, in connection with previous applications for insurance. Formerly known as Medical Information Bureau.

**MINE SUBSIDENCE COVERAGE**

An endorsement to a homeowners insurance policy, available in some states, for losses to a home caused by the land under a house sinking into a mine shaft. Excluded from standard homeowners policies, as are other forms of earth movement.

**\*MISREPRESENTATION**

A false or misleading statement. (1) In insurance sales, a false or misleading statement made by a sales agent to induce a customer to purchase insurance is a prohibited sales practice. (2) In insurance underwriting, a false or misleading statement by an insurance applicant may provide a basis for the insurer to avoid the policy.

**\*MISSTATEMENT OF AGE OR SEX PROVISION**

A life insurance, health insurance, and annuity policy provision that describes how policy benefits will be adjusted if the age or sex of the insured has been misstated in the insurance application. Typically, the benefits payable will be those that the premiums paid would have purchased for the correct age or sex.

**\*MODIFIED PREMIUM POLICIES**

An insurance policy for which the policy owner first pays a lower premium than she would for a similar level premium policy for a specified initial period and then pays a higher premium than she would for a similar level premium policy. *Contrast with* level premium policies and single premium policies.

**MONEY SUPPLY**

Total supply of money in the economy, composed of currency in circulation and deposits in savings and checking accounts. By changing the interest rates the Federal Reserve seeks to adjust the money supply to maintain a strong economy.

**\*MORAL HAZARD**

The possibility that a person may act dishonestly in an insurance transaction.

**\*MORBIDITY RATE**

The rate at which sickness and injury occur within a defined group of people. Insurers base health insurance premiums in part on the morbidity rate for a proposed insured's age group. *Contrast with* mortality rate.

### **MORTALITY AND EXPENSE (M&E) RISK CHARGE**

A fee that covers such annuity contract guarantees as death benefits.

### **\*MORTALITY RATE**

A percentage rate at which death occurs among a defined group of people of a specified age and sometimes of a specified gender. Insurers base the premiums for life insurance in part on the mortality rate for a proposed insured's age group. *Contrast with* morbidity rate.

### **MORTGAGE GUARANTEE INSURANCE**

Coverage for the mortgagee (usually a financial institution) in the event that a mortgage holder defaults on a loan. Also called private mortgage insurance (PMI).

### **MORTGAGE INSURANCE**

A form of decreasing term insurance that covers the life of a person taking out a mortgage. Death benefits provide for payment of the outstanding balance of the loan. Coverage is in decreasing term insurance, so the amount of coverage decreases as the debt decreases. A variant, mortgage unemployment insurance pays the mortgage of a policyholder who becomes involuntarily unemployed. (*See* Term insurance)

### **MORTGAGE-BACKED SECURITIES**

Investment grade securities backed by a pool of mortgages. The issuer uses the cash flow from mortgages to pay interest on the bonds.

### **MULTIPLE PERIL POLICY**

A package policy, such as a homeowners or business insurance policy, that provides coverage against several different perils. It also refers to the combination of property and liability coverage in one policy. In the early days of insurance, coverages for property damage and liability were purchased separately.

### **MUNICIPAL BOND INSURANCE**

Coverage that guarantees bondholders timely payment of interest and principal even if the

issuer of the bonds defaults. Offered by insurance companies with high credit ratings, the coverage raises the credit rating of a municipality offering the bond to that of the insurance company. It allows a municipality to raise money at lower interest rates. A form of financial guarantee insurance. (*See* Financial guarantee insurance)

### **MUNICIPAL LIABILITY INSURANCE**

Liability insurance for governments and government agencies. Coverages range from general liability to public officials errors and omissions to environment liability.

### **MUTUAL HOLDING COMPANY**

An organizational structure that provides mutual companies with the organizational and capital raising advantages of stock insurers, while retaining the policyholder ownership of the mutual.

### **MUTUAL INSURANCE COMPANY**

A company owned by its policyholders that returns part of its profits to the policyholders as dividends. The insurer uses the rest as a surplus cushion in case of large and unexpected losses.

## **N**

### **NAMED PERIL**

Peril specifically mentioned as covered in an insurance policy.

### **NATIONAL FLOOD INSURANCE PROGRAM**

Federal government-sponsored program under which flood insurance is sold to homeowners and businesses. (*See* Adverse selection; Flood insurance)

### **\*NET ANNUITY COST**

A monetary amount equal to the present value of future periodic payments under an annuity contract, calculated on a net basis, without any specific provision for expense loading. *Contrast with* gross annuity cost. (*See* Annuity cost)

**\*NET PAYMENT COST COMPARISON INDEX**

A cost comparison index used to compare life insurance policies that takes into account the time value of money and that measures the cost of a policy over a 10- or 20-year period assuming the policy owner pays premiums over the entire period. *Contrast with* surrender cost comparison index.

**NET PREMIUMS WRITTEN**

*See* Premiums written.

**NO-FAULT**

Auto insurance coverage that pays for each driver's own injuries, regardless of who caused the accident. No-fault varies from state to state. It also refers to an auto liability insurance system that restricts lawsuits to serious cases. Such policies are designed to promote faster reimbursement and to reduce litigation.

**NO-FAULT MEDICAL**

A type of accident coverage in homeowners policies.

**NO-PAY, NO-PLAY**

The idea that people who don't buy coverage should not receive benefits. Prohibits uninsured drivers from collecting damages from insured drivers. In most states with this law, uninsured drivers may not sue for noneconomic damages such as pain and suffering. In other states, uninsured drivers are required to pay the equivalent of a large deductible (\$10,000) before they can sue for property damages and another large deductible before they can sue for bodily harm.

**NONADMITTED ASSETS**

Assets that are not included on the balance sheet of an insurance company, including furniture, fixtures, past-due accounts receivable, and agents' debt balances. (*See* Assets)

**NONADMITTED INSURER**

Insurers licensed in some states, but not others. States where an insurer is not licensed call that insurer nonadmitted. They sell coverage that is

unavailable from licensed insurers within the state.

**\*NONCANCELLABLE AND GUARANTEED RENEWABLE POLICY**

An individual health insurance policy, which stipulates that, until the insured reaches a specified age (usually age 65), the insurer will not cancel the coverage, increase the premiums, or change the policy provisions as long as the premiums are paid when due. Also known as noncancellable policy. *Contrast with* guaranteed renewable policy.

**\*NONFORFEITURE OPTIONS**

The various ways in which a contract owner may apply the cash surrender value of an insurance or an annuity contract if the contract lapses. In the United States, the typical nonforfeiture options for life insurance are the cash payment option, the extended term insurance option and the reduced paid-up insurance option. (*See* Cash payment option; Cash surrender value; Extended term insurance option; Reduced paid-up insurance option)

**NONFORFEITURE VALUES**

The benefits, as printed in a life insurance policy, that the insurance guarantees to the insured if the insured stops paying premiums.

**NOTICE OF LOSS**

A written notice required by insurance companies immediately after an accident or other loss. Part of the standard provisions defining a policyholder's responsibilities after a loss.

**NUCLEAR INSURANCE**

Covers operators of nuclear reactors and other facilities for liability and property damage in the case of a nuclear accident and involves both private insurers and the federal government.

**NURSING HOME INSURANCE**

A form of long-term care policy that covers a policyholder's stay in a nursing facility.

## O

**OCCUPATIONAL DISEASE**

Abnormal condition or illness caused by factors associated with the workplace. Like occupational injuries, this is covered by workers compensation policies. (*See* Workers compensation)

**OCCURRENCE POLICY**

Insurance that pays claims arising out of incidents that occur during the policy term, even if they are filed many years later. (*See* Claims made policy)

**OCEAN MARINE INSURANCE**

Coverage of all types of vessels and watercraft, for property damage to the vessel and cargo, including such risks as piracy and the jettisoning of cargo to save other property. Coverage for marine-related liabilities. War is excluded from basic policies, but can be bought back.

**OPEN COMPETITION STATES**

States where insurance companies can set new rates without prior approval, although the state's commissioner can disallow them if they are not reasonable and adequate or are discriminatory.

**OPERATING EXPENSES**

The cost of maintaining a business's property, includes insurance, property taxes, utilities and rent, but excludes income tax, depreciation and other financing expenses.

**OPTIONS**

Contracts that allow, but do not oblige, the buying or selling of property or assets at a certain date at a set price.

**ORDINANCE OR LAW COVERAGE**

Endorsement to a property policy, including homeowners, that pays for the extra expense of rebuilding to comply with ordinances or laws, often building codes, that did not exist when the building was originally built. For example, a building severely damaged in a hurricane may have to be elevated above the flood line when it

is rebuilt. This endorsement would cover part of the additional cost.

**ORDINARY LIFE INSURANCE**

A life insurance policy that remains in force for the policyholder's lifetime.

**ORIGINAL EQUIPMENT MANUFACTURER PARTS/OEM**

Sheet metal auto parts made by the manufacturer of the vehicle. (*See* Generic auto parts)

**OVER-THE-COUNTER/OTC**

Security that is not listed or traded on an exchange such as the New York Stock Exchange. Business in over-the-counter securities is conducted through dealers using electronic networks.

## P

**PACKAGE POLICY**

A single insurance policy that combines several coverages previously sold separately. Examples include homeowners insurance and commercial multiple peril insurance.

**\*PAID-UP ADDITIONAL INSURANCE OPTION**

An option, available to the owners of participating life insurance policies, that allows the policy owner to use policy dividends to purchase additional insurance on the insured's life; the paid-up additional insurance is issued on the same plan as the basic policy and in whatever face amount the dividend can provide at the insured's attained age. (*See* Dividend; Participating policy; Policy dividend options)

**\*PAID-UP POLICY**

An insurance policy that requires no further premium payments but continues to provide coverage.

**\*PARTIAL DISABILITY**

*See* Residual disability.

**\*PARTICIPATING POLICY**

A type of insurance policy that allows policy owners to receive policy dividends. Also known as par policy. (*See* Dividend)



**PAY-AT-THE-PUMP**

A system proposed in the 1990s in which auto insurance premiums would be paid to state governments through a per-gallon surcharge on gasoline.

**\*PAYOUT OPTIONS**

The methods available to an annuity contract owner for the distribution of the annuity's accumulated value. (1) The lump sum distribution method allows the contract owner to receive the balance of his account in a single payment. (2) The fixed period option provides that the annuity's accumulated value will be paid out over a specified period of time. (3) The fixed-amount option provides that the annuity's accumulated value will be paid out in a pre-selected payment amount until the accumulated value is exhausted. (4) A life annuity option provides that periodic income payments will be tied in some manner to the life expectancy of a named individual. (*See* Life annuity)

**PENSION BENEFIT GUARANTY CORPORATION**

An independent federal government agency that administers the Pension Plan Termination Insurance program to ensure that vested benefits of employees whose pension plans are being terminated are paid when they come due. Only defined benefit plans are covered. Benefits are paid up to certain limits.

**PENSIONS**

Programs to provide employees with retirement income after they meet minimum age and service requirements. Life insurers hold some of these funds. Since the 1970s responsibility for funding retirement has increasingly shifted from employers (defined benefit plans that promise workers a specific retirement income) to employees (defined contribution plans financed by employees that may or may not be matched by employer contributions). (*See* Defined benefit plan; Defined contribution plan)

**\*PER CAPITA BENEFICIARY DESIGNATION**

A type of life insurance policy beneficiary designation in which the life insurance benefits are divided equally among the designated beneficiaries who survive the insured. For example, if the policy specifies two beneficiaries, but only one is surviving at the time of the insured's death, then the remaining beneficiary receives the entire policy benefit. *Contrast with* per stirpes beneficiary designation.

**\*PER STIRPES BENEFICIARY DESIGNATION**

A type of life insurance policy beneficiary designation in which the life insurance benefits are divided among a class of beneficiaries; for example, children of the insured. The living members of the class and the descendants of any deceased members of the class share in the benefits equally. *Contrast with* per capita beneficiary designation.

**PERIL**

A specific risk or cause of loss covered by an insurance policy, such as a fire, windstorm, flood, or theft. A named-peril policy covers the policyholder only for the risks named in the policy in contrast to an all-risk policy, which covers all causes of loss except those specifically excluded.

**\*PERIOD CERTAIN**

The stated period over which an insurer makes periodic benefit payments under an annuity certain. (*See* Annuity certain)

**PERSONAL ARTICLES FLOATER**

A policy or an addition to a policy used to cover personal valuables, like jewelry or furs.

**PERSONAL INJURY PROTECTION COVERAGE/PIP**

Portion of an auto insurance policy that covers the treatment of injuries to the driver and passengers of the policyholder's car.

**PERSONAL LINES**

Property/casualty insurance products that are designed for and bought by individuals, includ-

ing homeowners and automobile policies.  
(See Commercial lines)

### **POINT-OF-SERVICE PLAN**

Health insurance policy that allows the employee to choose between in-network and out-of-network care each time medical treatment is needed.

### **POLICY**

A written contract for insurance between an insurance company and a policyholder stating details of coverage.

### **\*POLICY DIVIDEND OPTIONS**

Ways in which the owner of a participating insurance policy may receive policy dividends. (See Additional term insurance option; Cash dividend option; Dividend accumulations option; Paid-up additional insurance option; Premium reduction option)

### **POLICYHOLDERS' SURPLUS**

The amount of money remaining after an insurer's liabilities are subtracted from its assets. It acts as a financial cushion above and beyond reserves, protecting policyholders against an unexpected or catastrophic situation.

### **POLITICAL RISK INSURANCE**

Coverage for businesses operating abroad against loss due to political upheaval such as war, revolution, or confiscation of property.

### **POLLUTION INSURANCE**

Policies that cover property loss and liability arising from pollution-related damages, for sites that have been inspected and found uncontaminated. It is usually written on a claims-made basis so policies pay only claims presented during the term of the policy or within a specified time frame after the policy expires. (See Claims made policy)

### **POOL**

See Insurance pool.

### **\*PRE-EXISTING CONDITION**

(1) According to most group health insurance policies, a condition for which an individual received medical care during the three months immediately prior to the effective date of her coverage. (2) According to most individual health insurance policies, an injury that occurred or a sickness that first appeared or manifested itself within a specified period—usually two years—before the policy was issued and that was not disclosed on the application for insurance.

### **PREFERRED PROVIDER ORGANIZATION**

Network of medical providers which charge on a fee-for-service basis, but are paid on a negotiated, discounted fee schedule.

### **\*PREFERRED RISK CLASS**

In insurance underwriting, the group of proposed insureds who represent a significantly lower than average likelihood of loss within the context of the insurer's underwriting practices. *Contrast with* declined risk class, standard risk class and substandard risk class.

### **PREMISES**

The particular location of the property or a portion of it as designated in an insurance policy.

### **PREMIUM**

The price of an insurance policy, typically charged annually or semiannually. (See Direct premiums; Earned premium; Unearned premium)

### **\*PREMIUM REDUCTION OPTION**

An option, available to the owners of participating insurance policies, that allows the insurer to apply policy dividends toward the payment of renewal premiums. (See Dividend; Policy dividend options)

### **PREMIUM TAX**

A state tax on premiums paid by its residents and businesses and collected by insurers.

**PREMIUMS IN FORCE**

The sum of the face amounts, plus dividend additions, of life insurance policies outstanding at a given time.

**PREMIUMS WRITTEN**

The total premiums on all policies written by an insurer during a specified period of time, regardless of what portions have been earned. Net premiums written are premiums written after reinsurance transactions.

**\*PRIMARY BENEFICIARY**

The party designated to receive the proceeds of a life insurance policy following the death of the insured. Also known as first beneficiary. (See Contingent beneficiary)

**PRIMARY COMPANY**

In a reinsurance transaction, the insurance company that is reinsured.

**PRIMARY MARKET**

Market for new issue securities where the proceeds go directly to the issuer.

**PRIME RATE**

Interest rate that banks charge to their most creditworthy customers. Banks set this rate according to their cost of funds and market forces.

**PRIOR APPROVAL STATES**

States where insurance companies must file proposed rate changes with state regulators, and gain approval before they can go into effect.

**PRIVATE MORTGAGE INSURANCE**

See Mortgage guarantee insurance.

**PRIVATE PLACEMENT**

Securities that are not registered with the Securities and Exchange Commission and are sold directly to investors.

**PRODUCT LIABILITY**

A section of tort law that determines who may sue and who may be sued for damages when a defective product injures someone. No uniform federal laws guide manufacturer's liability, but

under strict liability, the injured party can hold the manufacturer responsible for damages without the need to prove negligence or fault.

**PRODUCT LIABILITY INSURANCE**

Protects manufacturers' and distributors' exposure to lawsuits by people who have sustained bodily injury or property damage through the use of the product.

**PROFESSIONAL LIABILITY INSURANCE**

Covers professionals for negligence and errors or omissions that injure their clients.

**PROOF OF LOSS**

Documents showing the insurance company that a loss occurred.

**PROPERTY/CASUALTY INSURANCE**

Covers damage to or loss of policyholders' property and legal liability for damages caused to other people or their property. Property/casualty insurance, which includes auto, homeowners and commercial insurance, is one segment of the insurance industry. The other sector is life/health. Outside the United States, property/casualty insurance is referred to as nonlife or general insurance.

**PROPERTY/CASUALTY INSURANCE CYCLE**

Industry business cycle with recurrent periods of hard and soft market conditions. In the 1950s and 1960s, cycles were regular with three year periods each of hard and soft market conditions in almost all lines of property/casualty insurance. Since then they have been less regular and less frequent.

**PROPOSITION 103**

A November 1988 California ballot initiative that called for a statewide auto insurance rate rollback and for rates to be based more on driving records and less on geographical location. The initiative changed many aspects of the state's insurance system and was the subject of lawsuits for more than a decade.

**PURCHASING GROUP**

An entity that offers insurance to groups of similar businesses with similar exposures to risk.

**PURE ENDOWMENT**

A life insurance contract that pays a periodic income benefit for the life of the owner of the annuity. The payment can be monthly, quarterly, semiannually or annually.

**PURE LIFE ANNUITY**

A form of annuity that ends payments when the annuitant dies. Payments may be fixed or variable.

**Q****QUALIFIED ANNUITY**

A form of annuity purchased with pretax dollars as part of a retirement plan that benefits from special tax treatment, such as a 401(k) plan.

**R****RATE**

The cost of a unit of insurance, usually per \$1,000. Rates are based on historical loss experience for similar risks and may be regulated by state insurance offices.

**RATE REGULATION**

The process by which states monitor insurance companies' rate changes, done either through prior approval or open competition models. (See Open competition states; Prior approval states)

**\*RATED POLICY**

An insurance policy that is classified as having a greater-than-average likelihood of loss, usually issued with special exclusions, a premium rate that is higher than the rate for a standard policy, a reduced face amount, or any combination of these.

**RATING AGENCIES**

There are several major credit agencies that determine insurers' financial strength and viability to meet claims obligations. They include A.M. Best Co.; Fitch, Inc.; Moody's Investors Services; Standard & Poor's Corp.; and Weiss Ratings, Inc. Factors considered include company earnings, capital adequacy, operating leverage, liquidity, investment performance, reinsurance programs, and management ability, integrity and experience.

**RATING BUREAU**

The insurance business is based on the spread of risk. The more widely risk is spread, the more accurately loss can be estimated. An insurance company can more accurately estimate the probability of loss on 100,000 homes than on ten. Years ago, insurers were required to use standardized forms and rates developed by rating agencies. Today, large insurers use their own statistical loss data to develop rates. But small insurers, or insurers focusing on special lines of business, with insufficiently broad loss data to make them actuarially reliable depend on pooled industry data collected by such organizations as ISO, which provides information to help develop rates such as estimates of future losses and loss adjustment expenses like legal defense costs.

**REAL ESTATE INVESTMENTS**

Investments generally owned by life insurers that include commercial mortgage loans and real property.

**RECEIVABLES**

Amounts owed to a business for goods or services provided.

**REDLINING**

Literally means to draw a red line on a map around areas to receive special treatment. Refusal to issue insurance based solely on where applicants live is illegal in all states. Denial of insurance must be risk-based.

**\*REDUCED PAID-UP INSURANCE OPTION**

One of several nonforfeiture options included in life insurance policies that allows the owner of a policy with cash values to discontinue premium payments and to use the policy's net cash value to purchase paid-up insurance of the same plan as the original policy. (See Nonforfeiture options)

**\*REGISTERED PRINCIPAL**

An officer or manager of a National Association of Securities Dealers (NASD) member, who is involved in the day-to-day operation of the securities business, has qualified as a registered representative, and has an NASD Series 24 or 26 registration.

**\*REGISTERED REPRESENTATIVE**

A sales representative or other person who has registered with the National Association of Securities Dealers (NASD), disclosed the required background information, and passed one or more NASD examination. A registered representative engages in the securities business on behalf of a NASD member by soliciting the sale of securities or training securities salespeople.

**\*REINSTATEMENT**

The process by which an insurer puts back into force an insurance policy that has either been terminated for nonpayment of premiums or continued as extended term or reduced paid-up coverage.

**REINSURANCE**

Insurance bought by insurers. A reinsurer assumes part of the risk and part of the premium originally taken by the insurer, known as the primary company. Reinsurance effectively increases an insurer's capital and therefore its capacity to sell more coverage. The business is global and some of the largest reinsurers are based abroad. Reinsurers have their own reinsurers, called retrocessionaires. Reinsurers don't pay policyholder claims. Instead, they

reimburse insurers for claims paid. (See Treaty reinsurance; Facultative reinsurance)

**RELATION OF EARNINGS TO INSURANCE CLAUSE**

A clause included in some individual disability policies that limits the amount of benefits that an insurer will pay when the total amount of disability benefits from all insurers exceeds the individual's usual earnings.

**\*RENEWABLE TERM INSURANCE POLICY**

A term life insurance policy that gives the policy owner the option to continue the coverage at the end of the specified term without presenting evidence of insurability, although typically at a higher premium based on the insured's attained age.

**RENTERS INSURANCE**

A form of insurance that covers a policyholder's belongings against perils such as fire, theft, windstorm, hail, explosion, vandalism, riots, and others. It also provides personal liability coverage for damage the policyholder or dependents cause to third parties. It also provides additional living expenses, known as loss-of-use coverage, if a policyholder must move while his or her dwelling is repaired. It also can include coverage for property improvements. Possessions can be covered for their replacement cost or for their actual cash value, which includes depreciation.

**REPLACEMENT COST**

Insurance that pays the dollar amount needed to replace damaged personal property or dwelling property without deducting for depreciation but limited by the maximum dollar amount shown on the declarations page of the policy.

**REPURCHASE AGREEMENT/'REPO'**

Agreement between a buyer and seller where the seller agrees to repurchase the securities at an agreed upon time and price. Repurchase agreements involving U.S. government securities are utilized by the Federal Reserve to control the money supply.

**RESERVES**

A company's best estimate of what it will pay for claims.

**\*RESIDUAL DISABILITY**

In disability income insurance, a condition in which the insured is not totally disabled, but is still unable to function as before the sickness or injury, and therefore suffers a reduction in income of at least the percentage—typically 20 percent to 25 percent—specified in the disability income plan. Also known as partial disability.

**\*RESIDUAL DISABILITY INSURANCE**

See Income protection insurance.

**RESIDUAL MARKET**

Facilities, such as assigned risk plans and FAIR Plans, that exist to provide coverage for those who cannot get it in the regular market. Insurers doing business in a given state generally must participate in these pools. For this reason the residual market is also known as the shared market.

**RETENTION**

The amount of risk retained by an insurance company that is not reinsured.

**RETROCESSION**

The reinsurance bought by reinsurers to protect their financial stability.

**RETROSPECTIVE RATING**

A method of permitting the final premium for a risk to be adjusted, subject to an agreed upon maximum and minimum limit based on actual loss experience. It is available to large commercial insurance buyers.

**RETURN ON EQUITY**

Net income divided by total equity. Measures profitability by showing how efficiently invested capital is being used.

**\*REVOCABLE BENEFICIARY**

A life insurance policy beneficiary whose right to the policy's proceeds can be cancelled or

reduced by the policy owner at any time before the insured's death. *Contrast with* irrevocable beneficiary.

**RIDER**

An attachment to an insurance policy that alters the policy's coverage or terms.

**RISK**

The chance of loss or the person or entity that is insured.

**RISK MANAGEMENT**

Management of the varied risks to which a business firm or association might be subject. It includes analyzing all exposures to gauge the likelihood of loss and choosing options to better manage or minimize loss. These options typically include reducing and eliminating the risk with safety measures, buying insurance, and self-insurance.

**RISK-RETENTION GROUPS**

Businesses that band together to self-insure and form an organization, which is chartered and licensed as an insurer in at least one state, to handle liability insurance.

**RISK-BASED CAPITAL**

The need for insurance companies to be capitalized according to the inherent riskiness of the type of insurance they sell. Higher risk types of insurance, liability as opposed to property business, generally necessitate higher levels of capital.

**\*ROLLOVER**

A direct transfer of retirement funds from one qualified plan to another plan of the same type or to an individual retirement arrangement (IRA) that does not pass through the hands of the owner and thus does not incur any tax liability for the owner. Also known as direct rollover and direct transfer.

**S****SALVAGE**

Damaged property an insurer takes over to reduce its loss after paying a claim. Insurers receive salvage rights over property on which they have paid claims, such as badly damaged cars. Insurers that paid claims on cargoes lost at sea now have the right to recover sunken treasures. Salvage charges are the costs associated with recovering that property.

**SCHEDULE**

A list of individual items or groups of items that are covered under one policy or a listing of specific benefits, charges, credits, assets or other defined items.

**SECOND-TO-DIE LIFE INSURANCE**

*See* Survivorship Life insurance.

**SECONDARY MARKET**

Market for previously issued and outstanding securities.

**\*SECTION 1035 EXCHANGE**

In the United States, a taxfree replacement of an insurance policy for another insurance contract covering the same person that is performed in accordance with the conditions of Section 1035 of the Internal Revenue Code.

**SECTION 415**

A section of the Internal Revenue Code that provides for dollar limitations on benefits and contributions under qualified retirement plans. Section 415 also requires that the Internal Revenue Service annually adjust these limits for cost-of-living increases.

**SECURITIES AND EXCHANGE COMMISSION/SEC**

The organization that oversees publicly held insurance companies. Those companies make periodic financial disclosures to the SEC, including an annual financial statement (or 10K) and a quarterly financial statement (or 10-Q).

Companies must also disclose any material events and other information about their stock.

**SECURITIES OUTSTANDING**

Stock held by shareholders.

**SECURITIZATION OF INSURANCE RISK**

Using the capital markets to expand and diversify the assumption of insurance risk. The issuance of bonds or notes to third-party investors directly or indirectly by an insurance or reinsurance company or a pooling entity as a means of raising money to cover risks. (*See* Catastrophe bonds)

**\*SEGREGATED ACCOUNT**

In Canada, an investment account that insurers maintain separately from a general account to help manage the funds placed in variable insurance products such as variable annuities. (*See* Separate account)

**SELF-INSURANCE**

The concept of assuming a financial risk oneself, instead of paying an insurance company to take it on. Every policyholder is a self-insurer in terms of paying a deductible and co-payments. Large firms often self-insure frequent, small losses such as damage to their fleet of vehicles or minor workplace injuries. However, to protect injured employees state laws set out requirements for the assumption of workers compensation programs. Self-insurance also refers to employers who assume all or part of the responsibility for paying the health insurance claims of their employees. Firms that self insure for health claims are exempt from state insurance laws mandating the illnesses that group health insurers must cover.

**\*SEPARATE ACCOUNT**

In the United States, an investment account maintained separately from an insurer's general account to help manage the funds placed in variable insurance products such as variable annuities. *Contrast with* general account. (*See* Segregated account)

**\*SETTLEMENT OPTIONS**

Choices given to the owner or beneficiary of a life insurance policy regarding the method by which the insurer will pay the policy's proceeds when the policy owner does not receive the benefits in one single payment. Typically, the owner can elect (1) to leave the proceeds with the insurer and earn a specified interest rate, (2) to have the proceeds paid in a series of installments for a pre-selected period, (3) to have the proceeds paid in a pre-selected sum in a series of installments for as long as the proceeds last, or (4) to have the insurer tie payment of the proceeds to the life expectancy of a named individual through a life annuity. Also known as optional modes of settlement. (*See* Life annuity)

**SEVERITY**

Size of a loss. One of the criteria used in calculating premiums rates.

**SEWER BACKUP COVERAGE**

An optional part of homeowners insurance that covers sewers.

**SHARED MARKET**

*See* Residual market.

**\*SHORT-TERM DISABILITY INCOME INSURANCE**

A type of disability income coverage that provides disability income benefits for a maximum benefit period of from one to five years. *Contrast with* long-term disability income insurance.

**\*SINGLE PREMIUM POLICIES**

A type of life insurance or annuity contract that is purchased by the payment of one lump sum. (1) A single-premium deferred annuity (SPDA) is an annuity contract purchased with a single premium payment whose periodic income payments generally do not begin until several years in the future. (2) A single premium immediate annuity (SPIA) contract is an annuity contract that is purchased with a single premium payment and that will begin making periodic

income payments one annuity period after the contract's issue date.

**SOFT MARKET**

An environment where insurance is plentiful and sold at a lower cost, also known as a buyers' market. (*See* Property/casualty insurance cycle)

**SOLVENCY**

Insurance companies' ability to pay the claims of policyholders. Regulations to promote solvency include minimum capital and surplus requirements, statutory accounting conventions, limits to insurance company investment and corporate activities, financial ratio tests and financial data disclosure.

**\*SPECIFIED DISEASE COVERAGE**

A type of health insurance coverage that provides benefits for the diagnosis and treatment of a specifically named disease or diseases, such as cancer. Also known as dread disease coverage. *Contrast with* critical illness (CI) insurance.

**SPENDTHRIFT TRUST CLAUSE**

Life insurance provision that protects policy payouts from the beneficiary's creditors.

**\*SPLIT-DOLLAR LIFE INSURANCE PLAN**

An agreement under which a business provides individual life insurance policies for certain employees, who share in paying the cost of the policies.

**SPREAD OF RISK**

The selling of insurance in multiple areas to multiple policyholders to minimize the danger that all policyholders will have losses at the same time. Companies are more likely to insure perils that offer a good spread of risk. Flood insurance is an example of a poor spread of risk because the people most likely to buy it are the people close to rivers and other bodies of water that flood. (*See* Adverse selection)

**STACKING**

Practice that increases the money available to pay auto liability claims. In states where this



practice is permitted by law, courts may allow policyholders who have several cars insured under a single policy, or multiple vehicles insured under different policies, to add up the limit of liability available for each vehicle.

**\*STANDARD RISK CLASS**

In insurance underwriting, the group of proposed insureds who represent average risk within the context of the insurer's underwriting practices and therefore pay average premiums in relation to others of similar insurability. *Contrast with* declined risk class, preferred risk class and substandard risk class.

**STATUTORY ACCOUNTING PRINCIPLES/SAP**

More conservative standards than under GAAP accounting rules, they are imposed by state laws that emphasize the present solvency of insurance companies. SAP helps ensure that the company will have sufficient funds readily available to meet all anticipated insurance obligations by recognizing liabilities earlier or at a higher value than GAAP and assets later or at a lower value. For example, SAP requires that selling expenses be recorded immediately rather than amortized over the life of the policy. (*See* Admitted assets; GAAP accounting)

**STOCK INSURANCE COMPANY**

An insurance company owned by its stockholders who share in profits through earnings distributions and increases in stock value.

**\*STRAIGHT LIFE ANNUITY**

A type of life annuity contract that provides periodic income payments for as long as the annuitant lives but provides no benefit payments after the annuitant's death. (*See* Life annuity)

**STRUCTURED SETTLEMENT**

Legal agreement to pay a designated person, usually someone who has been injured, a specified sum of money in periodic payments, usually for his or her lifetime, instead of in a single lump sum payment. (*See* Annuity)

**SUBROGATION**

The legal process by which an insurance company, after paying a loss, seeks to recover the amount of the loss from another party who is legally liable for it.

**\*SUBSTANDARD PREMIUM RATES**

The premium rates charged insureds who are classified as substandard risks. Also known as special class rates.

**\*SUBSTANDARD RISK CLASS**

In insurance underwriting, the group of proposed insureds who represent a significantly greater-than-average likelihood of loss within the context of the insurer's underwriting practices. Also known as special class risk. *Contrast with* declined risk class, preferred risk class and standard risk class.

**\*SUICIDE EXCLUSION PROVISION**

A life insurance policy provision stating that policy proceeds will not be paid if the insured dies as the result of suicide as defined within the policy within a specified period following the date of policy issue.

**SUPERFUND**

A federal law enacted in 1980 to initiate cleanup of the nation's abandoned hazardous waste dump sites and to respond to accidents that release hazardous substances into the environment. The law is officially called the Comprehensive Environmental Response, Compensation, and Liability Act.

**\*SUPPLEMENTAL COVERAGE**

An amount of coverage that adds to the amount of coverage specified in a basic insurance policy.

**SURETY BOND**

A contract guaranteeing the performance of a specific obligation. Simply put, it is a three-party agreement under which one party, the surety company, answers to a second party, the owner, creditor or "obligee," for a third party's debts, default or nonperformance. Contractors

are often required to purchase surety bonds if they are working on public projects. The surety company becomes responsible for carrying out the work or paying for the loss up to the bond “penalty” if the contractor fails to perform.

### **SURPLUS**

The remainder after an insurer’s liabilities are subtracted from its assets. The financial cushion that protects policyholders in case of unexpectedly high claims. (*See* Capital; Risk-based capital)

### **SURPLUS LINES**

Property/casualty insurance coverage that isn’t available from insurers licensed in the state, called admitted companies, and must be purchased from a nonadmitted carrier. Examples include risks of an unusual nature that require greater flexibility in policy terms and conditions than exist in standard forms or where the highest rates allowed by state regulators are considered inadequate by admitted companies. Laws governing surplus lines vary by state.

### **SURRENDER CHARGE**

A charge for withdrawals from an annuity contract before a designated surrender charge period, usually from five to seven years.

### **\*SURRENDER COST COMPARISON INDEX**

A cost comparison index, used to compare insurance policies, which takes into account the time value of money and measures the cost of a policy over a 10- or 20-year period assuming the policy owner surrenders the policy for its cash value at the end of the period. *Contrast with* net payment cost comparison index.

### **SURVIVORSHIP LIFE INSURANCE**

A form of insurance that covers more than one person and pays a benefit after all of the insureds die. It can be used to help pay estate taxes after the deaths of a husband and wife or as a form of business continuation insurance. Also known as second-to-die life insurance.

### **SWAPS**

The simultaneous buying, selling or exchange of one security for another among investors to change maturities in a bond portfolio, for example, or because investment goals have changed.

## **T**

### **\*TAX-DEFERRED BASIS**

Accumulation of investment income on which income taxes are not payable until money is withdrawn from the investment vehicle.

### **\*TAX SHELTERED ANNUITY (TSA)**

In the United States, a retirement annuity sold only to organizations offering qualified retirement plans under section 403(b) of the U.S. Internal Revenue Code. (*See* 403(b) plan)

### **\*TEN-DAY FREE LOOK PROVISION**

*See* Free-look period.

### **TERM CERTAIN ANNUITY**

A form of annuity that pays out over a fixed period rather than when the annuitant dies.

### **TERM INSURANCE**

A form of life insurance that covers the insured person for a certain period of time, the “term” that is specified in the policy. It pays a benefit to a designated beneficiary only when the insured dies within that specified period which can be one, five, 10 or even 20 years. Term life policies are renewable but premiums increase with age.

### **TERRITORIAL RATING**

A method of classifying risks by geographic location to set a fair price for coverage. The location of the insured may have a considerable impact on the cost of losses. The chance of an accident or theft is much higher in an urban area than in a rural one, for example.

### **TERRORISM INSURANCE**

Included as a part of the package in standard commercial insurance policies before September 11 virtually free of charge. Terrorism

coverage is now generally offered separately at a price that more adequately reflects the risk. The Terrorism Risk Insurance Act (TRIA) was created by Congress in 2002, and renewed for two years in December 2005, to provide a temporary backstop for incurred losses resulting from certain acts of terrorism.

### **THIRD-PARTY ADMINISTRATOR**

Outside group that performs clerical functions for an insurance company.

### **THIRD-PARTY COVERAGE**

Liability coverage purchased by the policyholder as a protection against possible lawsuits filed by a third party. The insured and the insurer are the first and second parties to the insurance contract. (*See* First-party coverage)

### **TIME DEPOSIT**

Funds that are held in a savings account for a predetermined period of time at a set interest rate. Banks can refuse to allow withdrawals from these accounts until the period has expired or assess a penalty for early withdrawals.

### **\*TIME LIMIT ON CERTAIN DEFENSES PROVISION**

An individual health insurance policy provision that limits the time during which the insurer may contest the validity of the contract on the ground of misrepresentation in the application or may reduce or deny a claim on the ground it results from a preexisting condition. (*See* Incontestability provision)

### **TITLE INSURANCE**

Insurance that indemnifies the owner of real estate in the event that his or her clear ownership of property is challenged by the discovery of faults in the title.

### **TORT**

A legal term denoting a wrongful act resulting in injury or damage on which a civil court action, or legal proceeding, may be based.

### **TORT LAW**

The body of law governing negligence, intentional interference, and other wrongful acts for which civil action can be brought, except for breach of contract, which is covered by contract law.

### **TORT REFORM**

Refers to legislation designed to reduce liability costs through limits on various kinds of damages and through modification of liability rules.

### **\*TOTAL DISABILITY**

For disability insurance purposes, an insured's disability that meets the requirements of the definition of total disability included in the disability insurance policy or policy rider and that qualifies for payment of the specified disability benefits. When a disability begins, total disability is usually the complete and continuous inability of an insured to perform the essential duties of his regular occupation. After a disability has existed for a specified period, total disability usually exists only if the insured is prevented from working at any occupation for which he is reasonably fitted by education, training or experience. (*See* Disability; Residual disability)

### **TOTAL LOSS**

The condition of an automobile or other property when damage is so extensive that repair costs would exceed the value of the vehicle or property.

### **TRANSPARENCY**

A term used to explain the way information on financial matters, such as financial reports and actions of companies or markets, are communicated so that they are easily understood and frank.

### **TRAVEL INSURANCE**

Insurance to cover problems associated with traveling, generally including trip cancellation due to illness, lost luggage and other incidents.

**TREASURY SECURITIES**

Interest-bearing obligations of the U.S. government issued by the Treasury as a means of borrowing money to meet government expenditures not covered by tax revenues. Marketable Treasury securities fall into three categories—bills, notes and bonds. Marketable Treasury obligations are currently issued in book entry form only; that is, the purchaser receives a statement, rather than an engraved certificate.

**TREATY REINSURANCE**

A standing agreement between insurers and reinsurers. Under a treaty each party automatically accepts specific percentages of the insurer's business.

**\*TWISTING**

An illegal insurance sales practice, in which a sales agent misrepresents the features of a contract in order to induce the contract owner to replace his current contract, often to the disadvantage of the contract owner. (*See* Misrepresentation)

**U****UMBRELLA POLICY**

Coverage for losses above the limit of an underlying policy or policies such as homeowners and auto insurance. While it applies to losses over the dollar amount in the underlying policies, terms of coverage are sometimes broader than those of underlying policies.

**UNBUNDLED CONTRACTS**

A form of annuity contract that gives purchasers the freedom to choose among certain optional features in their contract.

**UNCLAIMED LIFE INSURANCE BENEFITS**

Life insurance benefits that are unclaimed and unpaid because the beneficiaries aren't aware that the policies exist or can't locate the policies because they don't know which insurance company wrote them. If an insurance company knows that an insured died and cannot find the

beneficiary, the money is transferred to the state where the insured bought the policy.

**UNDERINSURANCE**

The result of the policyholder's failure to buy sufficient insurance. An underinsured policyholder may only receive part of the cost of replacing or repairing damaged items covered in the policy.

**UNDERWRITING**

Examining, accepting, or rejecting insurance risks and classifying the ones that are accepted, in order to charge appropriate premiums.

**UNDERWRITING INCOME**

The insurer's profit on the insurance sale after all expenses and losses have been paid. When premiums aren't sufficient to cover claims and expenses, the result is an underwriting loss. Underwriting losses are typically offset by investment income.

**UNEARNED PREMIUM**

The portion of a premium already received by the insurer under which protection has not yet been provided. The entire premium is not earned until the policy period expires, even though premiums are typically paid in advance.

**UNINSURABLE RISK**

Risks that do not meet the criteria of an insurable risk. (*See* Insurable risk)

**UNINSURED MOTORISTS COVERAGE**

Portion of an auto insurance policy that protects a policyholder from uninsured and hit-and-run drivers.

**UNIVERSAL LIFE INSURANCE**

A flexible premium policy that combines protection against premature death with a type of savings vehicle, known as a cash value account, that typically earns a money market rate of interest. Death benefits can be changed during the life of the policy within limits, generally subject to a medical examination. Once funds accumulate in the cash value account, the

premium can be paid at any time but the policy will lapse if there isn't enough money to cover annual mortality charges and administrative costs.

### UTILIZATION REVIEW

See Medical utilization review.

## V

### VALUED POLICY

A policy under which the insurer pays a specified amount of money to or on behalf of the insured upon the occurrence of a defined loss. The money amount is not related to the extent of the loss. Life insurance policies are an example.

### VANDALISM

The malicious and often random destruction or spoilage of another person's property.

### VARIABLE ANNUITY

An annuity whose contract value or income payments vary according to the performance of the stocks, bonds and other investments selected by the contract owner.

### VARIABLE LIFE INSURANCE

A policy that combines protection against premature death with a savings account that can be invested in stocks, bonds and money market mutual funds at the policyholder's discretion.

### \*VARIABLE PREMIUM LIFE INSURANCE POLICY

See Indeterminate premium life insurance policy.

### VIATICAL SETTLEMENT COMPANIES

Insurance firms that buy life insurance policies at a steep discount from policyholders who are often terminally ill and need the payment for medications or treatments. The companies provide early payouts to the policyholder, assume the premium payments, and collect the face value of the policy upon the policyholder's death.

### \*VARIABLE UNIVERSAL LIFE (VUL) INSURANCE

A form of permanent life insurance that combines the premium and death benefit flexibility of universal life insurance with the investment flexibility and risk of variable life insurance. With this type of policy, the death benefit and the cash value fluctuate according to the contract's investment performance. Also known as universal life II.

### VOID

A policy contract that for some reason specified in the policy becomes free of all legal effect. One example under which a policy could be voided is when information a policyholder provided is proven untrue.

### VOLATILITY

A measure of the degree of fluctuation in a stock's price. Volatility is exemplified by large, frequent price swings up and down.

### VOLCANO COVERAGE

Most homeowners policies cover damage from a volcanic eruption.

### VOLUME

Number of shares a stock trades either per day or per week.

## W

### \*WAITING PERIOD

For a health insurance policy, the period of time that must pass from the date of policy issue before benefits are payable to an insured. Also known as elimination period and probationary period.

### WAIVER

The surrender of a right or privilege. In life insurance, a provision that sets certain conditions, such as disablement, which allow coverage to remain in force without payment of premiums.

**\*WAIVER OF PREMIUM FOR DISABILITY (WP) BENEFIT**

A supplementary life insurance policy or annuity contract benefit under which the insurer promises to give up its right to collect premiums that become due while the insured is disabled according to the policy or rider's definition of disability.

**WAR RISK**

Special coverage on cargo in overseas ships against the risk of being confiscated by a government in wartime. It is excluded from standard ocean marine insurance and can be purchased separately. It often excludes cargo awaiting shipment on a wharf or on ships after 15 days of arrival in port.

**WATER-DAMAGE INSURANCE COVERAGE**

Protection provided in most homeowners insurance policies against sudden and accidental water damage, from burst pipes for example. Does not cover damage from problems resulting from a lack of proper maintenance such as dripping air conditioners. Water damage from floods is covered under separate flood insurance policies issued by the federal government.

**WEATHER DERIVATIVE**

An insurance or securities product used as a hedge by energy-related businesses and others whose sales tend to fluctuate depending on the weather.

**WEATHER INSURANCE**

A type of business income insurance that compensates for financial losses caused by adverse weather conditions, such as constant rain on the day scheduled for a major outdoor concert.

**WHOLE LIFE INSURANCE**

The oldest kind of cash value life insurance that combines protection against premature death with a savings account. Premiums are fixed and guaranteed and remain level throughout the policy's lifetime.

**WORKERS COMPENSATION**

Insurance that pays for medical care and physical rehabilitation of injured workers and helps to replace lost wages while they are unable to work. State laws, which vary significantly, govern the amount of benefits paid and other compensation provisions.

**WRAP-UP INSURANCE**

Broad policy coordinated to cover liability exposures for a large group of businesses that have something in common. Might be used to insure all businesses working on a large construction project, such as an apartment complex.

**WRITE**

To insure, underwrite, or accept an application for insurance.

**WRITTEN PREMIUMS**

*See* Premiums written.

**X****XXX Regulation**

The National Association of Insurance Commissioner's current model valuation law for life insurance policies, adopted in March 1999.

The law tells insurance companies how much they should hold as a reserve for each term life insurance policy. The model has been adopted by most of the states.

**Y****\*YEARLY RENEWABLE TERM (YRT) INSURANCE**

One-year term life insurance that is renewable at the end of the policy term. Also known as annually renewable term (ART) insurance. (*See* Term life insurance)





Directories

## Property/Casualty Insurance Industry Organizations

### **AMERICAN INSURANCE ASSOCIATION (AIA) – NATIONAL OFFICE**

1130 Connecticut Ave., NW, Suite 1000  
Washington, DC 20036  
Tel: 202-828-7100  
Fax: 202-293-1219  
Web: <http://www.aiadc.org>  
Trade and service organization for property/  
casualty insurance companies. Provides a forum  
for the discussion of problems as well as safety,  
promotional and legislative services.

### **AMERICAN INSURANCE ASSOCIATION (AIA) – MID-ATLANTIC REGION**

1130 Connecticut Ave., NW, Suite 1000  
Washington, DC 20036  
Tel: 202-828-7100  
Fax: 202-293-1219  
Web: <http://www.aiadc.org>

### **AMERICAN INSURANCE ASSOCIATION (AIA) – MIDWEST REGION**

150 North Wacker Dr., Suite 2525  
Chicago, IL 60606  
Tel: 312-782-7720  
Fax: 312-782-7718  
Web: <http://www.aiadc.org>

### **AMERICAN INSURANCE ASSOCIATION (AIA) – NORTHEAST REGION (ALBANY)**

95 Columbia St.  
Albany, NY 12210  
Tel: 518-462-1695  
Fax: 518-465-6023  
Web: <http://www.aiadc.org>

### **AMERICAN INSURANCE ASSOCIATION (AIA) – NORTHEAST REGION (BOSTON)**

1 Walnut St.  
Boston, MA 02108  
Tel: 617-305-4150  
Fax: 617-305-4154  
Web: <http://www.aiadc.org>

### **AMERICAN INSURANCE ASSOCIATION (AIA) – SOUTHEAST REGION**

5565 Glenridge Connector, Suite 425  
Atlanta, GA 30342  
Tel: 404-261-8834  
Fax: 404-231-5780  
Web: <http://www.aiadc.org>

### **AMERICAN INSURANCE ASSOCIATION (AIA) – SOUTHWEST REGION**

500 West 13th St.  
Austin, TX 78701  
Tel: 512-322-3111  
Fax: 512-322-3112  
Web: <http://www.aiadc.org>



**AMERICAN INSURANCE ASSOCIATION (AIA) – WESTERN REGION**

U.S. Bank Plaza, 980 9th St., Suite 2060  
Sacramento, CA 95814  
Tel: 916-442-7617  
Web: <http://www.aiadc.org>

**INDEPENDENT INSURANCE AGENTS & BROKERS OF AMERICA, INC.**

127 S. Peyton St.  
Alexandria, VA 22314  
Tel: 800-221-7917  
Fax: 703-683-7556  
Web: <http://www.iiaba.org>  
Trade association of independent insurance agents and brokers.

**INSTITUTE FOR BUSINESS & HOME SAFETY**

4775 E. Fowler Ave.  
Tampa, FL 33617  
Tel: 813-286-3400  
Fax: 813-286-9960  
Web: <http://www.ibhs.org>  
An insurance industry-sponsored nonprofit organization dedicated to reducing losses, deaths, injuries and property damage resulting from natural hazards.

**INSURANCE INFORMATION INSTITUTE (I.I.I.)**

110 William St.  
New York, NY 10038  
Tel: 212-346-5500  
Fax: 212-732-1916  
Web: <http://www.iii.org>  
A primary source for information, analysis and reference on insurance subjects.

**INSURANCE INFORMATION INSTITUTE (I.I.I.) – WASHINGTON, DC MEDIA OFFICE**

1825 K. St., NW, Suite 501  
Washington, DC 20006  
Tel: 202-833-1580  
Fax: 202-785-4676  
Web: <http://www.iii.org>

**INSURANCE INFORMATION NETWORK OF CALIFORNIA (IINC)**

3530 Wilshire Blvd., Suite 1610  
Los Angeles, CA 90010  
Tel: 213-624-4462  
Web: <http://www.iinc.org/>

**INSURANCE INSTITUTE FOR HIGHWAY SAFETY**

1005 North Glebe Road, Suite 800  
Arlington, VA 22201  
Tel: 703-247-1500  
Fax: 703-247-1588  
Web: <http://www.highwaysafety.org>  
Research and education organization dedicated to reducing loss, death, injury and property damage on the highways. Fully funded by property/casualty insurers.

**INSURANCE RESEARCH COUNCIL (A DIVISION OF THE AMERICAN INSTITUTE FOR CPCU)**

718 Providence Road, PO Box 3025  
Malvern, PA 19355-0725  
Tel: 610-644-2212  
Fax: 610-640-5388  
Web: <http://www.ircweb.org>  
A division of the American Institute for CPCU. Provides the public and the insurance industry with timely research information relevant to public policy issues affecting risk and insurance.

**ISO**

545 Washington Blvd.  
Jersey City, NJ 07310-1686  
Tel: 800-888-4476  
Fax: 201-748-1472  
Web: <http://www.iso.com>  
Provider of products and services that help measure, manage and reduce risk. Provides data, analytics and decision-support solutions to professionals in many fields, including insurance, finance, real estate, health services, government and human resources.

**NATIONAL ALLIANCE OF LIFE COMPANIES (NALC)**

PO Box 50053  
 Sarasota, FL 34232  
 Tel: 941-379-6100  
 Fax: 941-379-6112  
 Web: <http://www.nalc.net>  
 Trade association of stock and mutual life and health insurance companies.

**NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS**

2901 Telestar Court, PO Box 12012  
 Falls Church, VA 22042-1205  
 Tel: 703-770-8100  
 Web: <http://www.naifa.org>  
 Professional association representing health and life insurance agents.

**NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES (NAMIC)**

3601 Vincennes Rd., PO Box 68700  
 Indianapolis, IN 46268  
 Tel: 317-875-5250  
 Fax: 317-879-8408  
 Web: <http://www.namic.org>  
 Trade association of property/casualty mutual insurance companies.

**NAMIC – WASHINGTON, DC OFFICE**

122 C St., NW, Suite 540  
 Washington, DC 20001  
 Tel: 202-628-1558  
 Fax: 202-628-1601  
 Web: <http://www.namic.org>

**NATIONAL ASSOCIATION OF PROFESSIONAL SURPLUS LINES OFFICES, LTD.**

200 N.E. 54th St.  
 Kansas City, MO 64118  
 Tel: 816-741-3910  
 Fax: 816-741-5409  
 Web: <http://www.napslo.org>  
 Professional association of wholesale brokers, excess and surplus lines companies, affiliates and supporting members.

**NATIONAL INSURANCE CRIME BUREAU**

1111 East Touhy, Suite 400  
 Des Plaines, IL 60018  
 Tel: 800-447-6282  
 Fax: 847-544-7101  
 Web: <http://www.nicb.org>  
 Not-for-profit organization dedicated to combating crime and vehicle theft.

**NCCI HOLDINGS, INC.**

901 Peninsula Corporate Circle  
 Boca Raton, FL 33487  
 Tel: 561-893-1000  
 Fax: 561-893-1191  
 Web: <http://www.ncci.com>  
 Develops and administers rating plans and systems for workers compensation insurance.

**NCCI, INC. – REGULATORY SERVICES DIVISION**

111 River St., Suite 1202  
 Hoboken, NJ 07030  
 Tel: 201-222-0500  
 Fax: 201-222-8880  
 Web: <http://www.ncci.com>

**PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCIAA)**

2600 South River Road  
 Des Plaines, IL 60018-3286  
 Tel: 847-297-7800  
 Fax: 847-297-5064  
 Web: <http://www.pciaa.net>  
 Serves as a voice on public policy issues and advocates positions that foster a competitive market place for property/casualty insurers and insurance consumers.

**PCIAA – CALIFORNIA**

1415 L St., Suite 670  
 Sacramento, CA 95814  
 Tel: 916-449-1370  
 Fax: 916-449-1378  
 Web: <http://www.pciaa.net>

**PCI – COLORADO**

1535 Grant St., Suite 225  
Denver, CO 80203  
Tel: 303-830-6772  
Fax: 303-830-6775  
Web: <http://www.pciaa.net>

**PCI – FLORIDA**

215 S. Monroe St., Suite 815, PO Box 11174  
Tallahassee, FL 32302  
Tel: 850-681-2615  
Fax: 850-681-2614  
Web: <http://www.pciaa.net>

**PCI – GEORGIA**

6636 Church St., Suite 300  
Douglasville, GA 30134  
Tel: 770-949-1776  
Fax: 770-949-0889  
Web: <http://www.pciaa.net>

**PCI – MASSACHUSETTS**

40 Court St., Suite 700  
Boston, MA 02108  
Tel: 617-723-1976  
Fax: 617-227-3590  
Web: <http://www.pciaa.net>

**PCI – NEW JERSEY**

28 West State St., Suite 719  
Trenton, NJ 08608  
Tel: 609-396-9601  
Fax: 609-396-9603  
Web: <http://www.pciaa.net>

**PCI – NEW YORK**

24 Marquis Drive  
Slingslands, NY 12159  
Tel: 518-446-1105  
Fax: 847-759-4364  
Web: <http://www.pciaa.net>

**PCI – PENNSYLVANIA**

116 Pine St., Suite 205  
Harrisburg, PA 17101  
Tel: 717-232-0991  
Fax: 717-232-0992  
Web: <http://www.pciaa.net>

**PCI – TEXAS**

701 Brazos St., Suite 500  
Austin, TX 78701  
Tel: 512-334-6638  
Fax: 847-759-4346  
Web: <http://www.pciaa.net>

**PCI – WASHINGTON**

1500 Water St. SW, Suite 2  
Olympia, WA 98501  
Tel: 360-481-6539  
Fax: 360-357-5343  
Web: <http://www.pciaa.net>

**PCI – WASHINGTON, DC**

444 North Capitol St. NW, Suite 801  
Washington, DC 20001  
Tel: 202-639-0490  
Fax: 202-639-0494  
Web: <http://www.pciaa.net>

**REINSURANCE ASSOCIATION OF AMERICA**

1301 Pennsylvania Ave., NW, Suite 900  
Washington, DC 20004  
Tel: 202-638-3690  
Fax: 202-638-0936  
Web: <http://www.reinsurance.org>  
Trade association of property/casualty reinsurers; provides legislative services for members.

**SURETY ASSOCIATION OF AMERICA**

1101 Connecticut Ave., NW, Suite 800  
Washington, DC 20036  
Tel: 202-463-0600  
Fax: 202-463-0606  
Web: <http://www.surety.org>  
Statistical, rating, development and advisory organization for surety companies.

**SURETY INFORMATION OFFICE**

1828 L St., NW, Suite 720  
Washington, DC 20036-5104  
Tel: 202-686-7463  
Fax: 202-686-3656  
Web: <http://www.sio.org>

Statistical, rating, development and advisory organization for surety companies. Membership includes insurance companies licensed to write fidelity or surety insurance in one or more states and foreign affiliates.

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## Life/Health Insurance Industry Organizations

### **AMERICA'S HEALTH INSURANCE PLANS (AHIP)**

601 Pennsylvania Ave., NW, South Building, Suite 500  
Washington, DC 20004  
Tel: 202-778-3200  
Fax: 202-331-7487

Web: <http://www.ahip.org>

National trade association representing health insurance plans providing medical, long-term care, disability income, dental supplemental, stop-gap and reinsurance coverage.

### **AMERICAN COUNCIL OF LIFE INSURERS (ACLI)**

101 Constitution Ave., NW, Suite 700  
Washington, DC 20001-2133  
Tel: 202-624-2000

Web: <http://www.acli.com/>

Trade association responsible for the public affairs, government, legislative and research aspects of the life insurance business.

### **THE LIFE AND HEALTH INSURANCE FOUNDATION FOR EDUCATION**

2175 K St., NW, Suite 250  
Washington, DC 20037-1809

Tel: 202-464-5000

Fax: 202-464-5011

Web: <http://www.life-line.org>

Nonprofit organization dedicated to addressing the public's growing need for information and education about life, health, disability and long-term care insurance.

### **LIFE INSURANCE SETTLEMENT ASSOCIATION**

1011 East Colonial Dr., Suite 500  
Orlando, FL 32803  
Tel: 407-894-3797  
Fax: 407-897-1325

Promotes the development, integrity and reputation of the life settlement industry and a competitive market for the people it serves.

### **LIMRA INTERNATIONAL**

300 Day Hill Rd.  
Windsor, CT 06095  
Tel: 860-285-7787  
Fax: 860-298-9555

Web: <http://www.limra.com/>

Worldwide association providing research, consulting and other services to insurance and financial services companies in more than 60 countries. LIMRA helps its member companies maximize their marketing effectiveness.

### **LOMA (LIFE OFFICE MANAGEMENT ASSOCIATION)**

2300 Windy Ridge Pkwy., Suite 600  
Atlanta, GA 30339-8443  
Tel: 770-951-1770

Fax: 770-984-0441

Web: <http://www.loma.org>

Worldwide association of insurance companies specializing in research and education, with a primary focus on home office management.

### **MIB, INC.**

PO Box 105 Essex Station  
Boston, MA 02112.  
Tel: 866- 692-6901

Web: <http://www.mib.com/html/lost-life-insurance.html>

Database of individual life insurance applications processed since 1995.

**NATIONAL ALLIANCE OF LIFE COMPANIES (NALC)**

PO Box 50053  
Sarasota, FL 34232  
Tel: 941-379-6100  
Fax: 941-379-6112  
Web: <http://www.nalc.net>

**NATIONAL ASSOCIATION OF HEALTH UNDERWRITERS**

2000 N. 14th St., Suite 450  
Arlington, VA 22201  
Tel: 703-276-0220  
Fax: 703-841-7797  
Web: <http://www.nahu.org>  
Professional association of people who sell and service disability income, and hospitalization and major medical health insurance.

**NATIONAL ORGANIZATION OF LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATIONS (NOLHGA)**

13873 Park Center Rd., Suite 329  
Herndon, VA 20171  
Tel: 703-481-5206  
Fax: 703-481-5209  
Web: <http://www.nolhga.com>  
A voluntary association composed of the life and health insurance guaranty associations of all 50 states, the District of Columbia, and Puerto Rico. When insolvency involves multiple states, NOLHGA assists its state guaranty association members in fulfilling their statutory obligations to policyholders.

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## Financial Services Industry Organizations

**ADVANTAGE GROUP**

1610 Des Peres Road, Suite 370  
St. Louis, MI 63131  
Tel: 314-434-6030  
Web: <http://www.indexannuity.org/>

Provides research and consulting services to insurance companies and financial service firms in all aspects of index annuities.

**AMERICAN BANKERS ASSOCIATION**

1120 Connecticut Ave., NW  
Washington, DC 20036  
Tel: 800-BANKERS  
Fax: 202-828-4540  
Web: <http://www.aba.com>  
Represents banks of all sizes on issues of national importance for financial institutions and their customers. Brings together all categories of banking institutions, including community, regional and money center banks and holding companies, as well as savings associations, trust companies and savings banks.

**AMERICAN BANKERS INSURANCE ASSOCIATION**

1120 Connecticut Ave., NW  
Washington, DC 20036  
Tel: 202-663-5163  
Fax: 202-828-4546  
Web: <http://www.theabia.com>  
A separately chartered affiliate of the American Bankers Association. A full service association for bank insurance interests dedicated to furthering the policy and business objectives of banks in insurance.

**AMERICAN FINANCIAL SERVICES ASSOCIATION**

919 18th St., NW, Suite 300  
Washington, DC 20006-5517  
Tel: 202-296-5544  
Fax: 202-223-0321  
Web: <http://www.americanfinsvcs.com>  
The national trade association for market funded providers of financial services to consumers and small businesses.

**BANK ADMINISTRATION INSTITUTE**

One N. Franklin, Suite 1000  
 Chicago, IL 60606-3421  
 Tel: 888-284-4078  
 Fax: 800-375-5543  
 Web: <http://www.bai.org>  
 A professional organization devoted exclusively to improving the performance of financial services companies through strategic research and information, education and training.

**BANK FOR INTERNATIONAL SETTLEMENTS**

PO Box CH-4002  
 Basel Switzerland  
 Tel: (41) 61-280-8080  
 Fax: (41) 61-280-9100  
 Web: <http://www.bis.org>  
 An international organization which fosters cooperation among central banks and other agencies in pursuit of monetary and financial stability.

**BANK INSURANCE & SECURITIES ASSOCIATION**

303 West Lancaster Ave., Suite 2D  
 Wayne, PA 19087  
 Tel: 610-989-9047  
 Fax: 610-989-9102  
 Web: <http://www.bisanet.org>  
 Fosters the full integration of securities and insurance businesses with depository institutions' traditional banking businesses. Participants include executives from the securities, insurance, investment advisory, trust, private banking, retail, capital markets and commercial divisions of depository institutions

**BANK INSURANCE MARKET RESEARCH GROUP**

154 E. Boston Post Rd.  
 Mamaroneck, NY 10543  
 Tel: 914-381-7475  
 Web: <http://www.singerpubs.com>  
 Provides market research and investment sales data to the bank and insurance industries, based on in-depth surveys of depository and insurance entities augmented by analysis of government data.

**BANKINSURANCE.COM**

823 King of Prussia Road  
 Radnor, PA 19087  
 Tel: 610-254-0440  
 Fax: 610-254-5044  
 Web: <http://www.BankInsurance.com>  
 Provides comparisons, rankings and ratings of noninterest fee income performance of banks and bank holding companies. Publisher of weekly news, monthly BankInsurance.com Newsletter, research statistics and reports, and articles relating to the bank insurance industry.

**BOND MARKET ASSOCIATION**

360 Madison Ave.  
 New York, NY 10017  
 Tel: 646-637-9200  
 Fax: 646-637-9126  
 Web: <http://www.bondmarkets.com/>  
 Represents securities firms and banks that underwrite, trade and sell debt securities, both domestically and internationally.

**CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.**

1670 Broadway, Suite 600  
 Denver, CO 80202-4809  
 Tel: 303-830-7500  
 Fax: 303-860-7388  
 Web: <http://www.cfp.net/>  
 Group whose mission is to create awareness of the importance of financial planning and the value of the financial planning process and to help underserved populations have access to competent and ethical financial planning.

**COLLEGE SAVINGS PLANS NETWORK**

PO Box 11910  
 Lexington, KY 40578-1910  
 Tel: 859-244-8175  
 Web: <http://www.collegesavings.org/>  
 The College Savings Plans Network is an affiliate to the National Association of State Treasurers. It is intended to make higher education more attainable. The Network serves as a clearinghouse for information on existing college savings programs.

**COMMERCIAL FINANCE ASSOCIATION**

225 West 34th St., Suite 1815  
New York, NY 10122  
Tel: 212-594-3490  
Fax: 212-564-6053  
Web: <http://www.cfa.com>  
The trade group of the asset-based financial services industry, with members throughout the U.S., Canada and around the world.

**THE COMMITTEE OF ANNUITY INSURERS**

c/o Davis & Harman LLP  
1455 Pennsylvania Ave., NW, Suite 1200  
Washington, DC 20004  
Tel: 202-347-2230  
Fax: 202-393-3310  
Web: <http://www.annuity-insurers.org>  
Group whose goal is to address federal legislative and regulatory issues relevant to the annuity industry and to participate in the development of federal tax and securities policies regarding annuities.

**COMMODITY FUTURES  
TRADING COMMISSION**

Three Lafayette Centre, 1155 21st St., NW  
Washington, DC 20581  
Tel: 202-418-5000  
Fax: 202-418-5521  
Web: <http://www.cftc.gov>  
Independent agency created by Congress to protect market participants against manipulation, abusive trade practices and fraud.

**CONFERENCE OF STATE  
BANK SUPERVISORS**

1155 Connecticut Ave., NW, 5th Floor  
Washington, DC 20036-4306  
Tel: 202-296-2840  
Fax: 202-296-1928  
Web: <http://www.csbs.org>  
National organization that advocates on behalf of the nation's state banking system.

**CONSUMERS BANKERS ASSOCIATION**

1000 Wilson Blvd. Suite 2500  
Arlington, VA 22209-3912  
Tel: 703-276-1750  
Fax: 703-528-1290  
Web: <http://www.cbanet.org>  
This group is the recognized voice on retail banking issues in the nation's capital.

**DMA FINANCIAL SERVICES COUNCIL**

1120 Avenue of the Americas  
New York, NY 10036-6700  
Tel: 212-768-7277  
Fax: 212-302-6714  
Web: <http://www.the-dma.org>  
Integrates the direct marketing concept, its tactics and its practices with mainstream insurance and financial services marketing to create a strategic business synergism, a division of the Direct Marketing Association.

**EASTBRIDGE CONSULTING GROUP, INC.**

50 Avon Meadow Lane  
Avon, CT 06001  
Tel: 860-676-9633  
Web: <http://www.eastbridge.com>  
Provides consulting, marketing, training and research services to financial services firms, including those involved in worksite marketing and the distribution of individual and employee benefits products.

**EMPLOYEE BENEFIT  
RESEARCH INSTITUTE**

2121 K St., NW, Suite 600  
Washington, DC 20037-1896  
Tel: 202-659-0670  
Fax: 202 775-6312  
Web: <http://www.ebri.org>  
The Institute's mission is to advance the public's, the media's and policymakers' knowledge and understanding of employee benefits and their importance to the U.S. economy.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)**

550 17th St., NW  
 Washington, DC 20429-9990  
 Tel: 877-275-3342  
 Web: <http://www.fdic.gov>

The FDIC's mission is to maintain the stability of and public confidence in the nation's financial system. To achieve this goal, the FDIC has insured deposits and promoted safe and sound banking practices since 1933.

**FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL**

2000 K St. NW, Suite 310  
 Washington, DC 20006  
 Tel: 202-872-7500  
 Fax: 202-872-7501  
 Web: <http://www.ffiec.gov/>

A formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the Board of Governors of the Federal Reserve System.

**FEDERAL RESERVE**

20th St. and Constitution Ave., NW  
 Washington, DC 20551  
 Tel: 202-452-3000  
 Web: <http://www.federalreserve.gov/>

Central bank of the United States, founded by Congress in 1913 to provide the nation with a safer, more flexible, and more stable monetary and financial system.

**FINANCIAL MARKETS CENTER**

PO Box 23  
 Howardsville, VA 24562  
 Tel: 434-286-4010  
 Fax: 434-286-4014  
 Web: <http://www.fmcenter.org>

An independent, nonprofit institute that provides research and education resources to grassroots groups, unions, policymakers and journalists interested in the Federal Reserve System and financial markets.

**THE FINANCIAL PLANNING ASSOCIATION**

4100 E. Mississippi Ave., Suite 400  
 Denver, CO 80246-3053  
 Tel: 800-322-4237  
 Fax: 303-759-0749  
 Web: <http://www.fpanet.org/>

Group whose primary aim is to foster the value of financial planning and advance the financial planning profession.

**FINANCIAL SERVICES COORDINATING COUNCIL**

901 7TH St., 2nd Floor  
 Washington, DC 20001  
 Tel: 202-315-5100  
 Fax: 202-315-5010  
 Web: <http://www.fscnews.com>

A coalition—including the American Insurance Association, the American Council of Life Insurers, the American Bankers Association, the Securities Industry Association and the Investment Company Institute—that represents the diversified financial services industry.

**FINANCIAL SERVICES FORUM**

601 Thirteenth St., NW, Suite 750 South  
 Washington, DC 20001  
 Tel: 202-457-8765  
 Fax: 202-457-8769  
 Web: <http://www.financialservicesforum.org>

An organization of 20 chief executive officers of major U.S. financial services firms dedicated to the execution and coordination of activities designed to promote the development of an open and competitive financial services industry.

**FINANCIAL SERVICES INDUSTRY COUNCIL**

2000 Pennsylvania Ave., NW, Suite 6000  
 Washington, DC 20006  
 Tel: 202-777-5085  
 Fax: 202-777-5100  
 Web: <http://www.financialservicesindustrycouncil.com>

A unique forum for insight into the financial services industry. Members gain access to the strategies and practices of the world's leading financial institutions.



**THE FINANCIAL SERVICES ROUNDTABLE**

1001 Pennsylvania Ave., NW, Suite 500 South  
Washington, DC 20004

Tel: 202-289-4322

Fax: 202-628-2507

Web: <http://www.fsround.org/>

A forum for U.S. financial industry leaders working together to determine and influence the most critical public policy concerns related to the integration of the financial services.

**FUTURES INDUSTRY ASSOCIATION**

2001 Pennsylvania Ave., NW, Suite 600  
Washington, DC 20006

Tel: 202-466-5460

Fax: 202-296-3184

Web: <http://www.futuresindustry.org>

Association representative of all organizations that have an interest in the futures market.

**GLOBAL ASSOCIATION OF  
RISK PROFESSIONALS**

100 Pavonia Ave., Suite 405  
Jersey City, NJ 07310

Tel: 201-222-0054

Fax: 201-222-5022

Web: <http://www.garp.com//index.asp>

International group whose aim is to encourage and enhance communications between risk professionals, practitioners and regulators worldwide.

**THE HEDGE FUND ASSOCIATION**

2875 NE 191st St., Suite 900  
Aventura, FL 33180

Tel: 202-478-2000

Fax: 202-478-1999

Web: <http://www.thehfa.org/>

An international not-for-profit association of hedge fund managers, service providers and investors formed to unite the hedge fund industry and add to the increasing awareness of the advantages and opportunities in hedge funds.

**INSURANCE MARKETPLACE  
STANDARDS ASSOCIATION**

4550 Montgomery Ave., Suite 700N  
Bethesda, MD 20814

Tel: 240-744-3030

Fax: 240-744-3031

Web: <http://www.imsaethics.org>

A nonprofit, independent organization created to strengthen consumer trust and confidence in the marketplace for individually sold life insurance, long-term care insurance and annuities.

**INTERNATIONAL FINANCE AND  
COMMODITIES ASSOCIATION**

2, Cours de Rive

1204 Geneva, Switzerland

Tel: (41) 22-312-5678

Fax: (41) 22-312-5677

Web: <http://riskinstitute.ch>

Nonprofit foundation created with the objective of promoting global understanding of commodity trading as well as financial futures and options.

**INTERNATIONAL SWAPS AND  
DERIVATIVES ASSOCIATION**

360 Madison Ave., 16th Floor  
New York, NY 10017

Tel: 212-901-6000

Fax: 212-901-6001

Web: <http://www.isda.org>

The association's primary purpose is to encourage the prudent and efficient development of the privately negotiated derivatives business.

**INVESTMENT COMPANY INSTITUTE**

1401 H St., NW  
Washington, DC 20005

Tel: 202-326-5800

Web: <http://www.ici.org>

The national association of the American investment company industry.

**KEHRER-LIMRA**

300 Day Hill Road  
Windsor, CT 06095-4761  
Tel: 860-298-3910  
Fax: 860-298-9555  
Web: <http://www.kehrerlimra.com/>  
Consultant focusing on the financial services marketplace. Conducts studies of sales penetration, profitability, compensation and compliance.

**MICHAEL WHITE ASSOCIATES**

823 King of Prussia Road  
Radnor, PA 19087  
Tel: 610-254-0440  
Fax: 610 254-5044  
Web: <http://www.bankinsurance.com>  
Consulting firm that helps clients plan, develop and implement bank insurance sales programs. Conducts research on bank trends.

**MORTGAGE BANKERS ASSOCIATION OF AMERICA**

1919 Pennsylvania Ave., NW  
Washington, DC 20006-3404  
Tel: 202-557-2700  
Web: <http://www.mbaa.org/>  
Represents the real estate finance industry.

**MORTGAGE INSURANCE COMPANIES OF AMERICA (MICA)**

727 15th St., NW, 12th Floor  
Washington, DC 20005  
Tel: 202-682-2683  
Fax: 202-393-5557  
Web: <http://micanews.com>  
Represents the private mortgage insurance industry. MICA provides information on related legislative and regulatory issues, and strives to enhance understanding of the vital role private mortgage insurance plays in housing Americans.

**MUSEUM OF AMERICAN FINANCIAL HISTORY**

26 Broadway, Room 947  
New York, NY 10004

Tel: 212-908-4110  
Fax: 212-908-4601  
Web: <http://www.financialhistory.org>  
An affiliate of the Smithsonian Institution, the museum is the nation's only independent public museum dedicated to celebrating the spirit of entrepreneurship and the democratic free market tradition.

**NASD**

1735 K St., NW  
Washington, DC 20006  
Tel: 301-590-6500  
Web: <http://www.nasd.com>  
Securities industry self-regulatory organization. The group registers member firms, writes rules to govern their behavior, examines them for compliance and disciplines those that fail to comply. Also provides education to industry professionals and investors, and support to member firms in their self-compliance activities.

**NATIONAL ASSOCIATION FOR FIXED ANNUITIES**

2300 E. Kensington Blvd.  
Milwaukee, WI 53211  
Tel: 414-332-9306  
Fax: 415-946-3532  
Web: <http://www.nafa.us/>  
Promotes the growth, acceptance and understanding of annuity and life products; provides educational and informational resources.

**NATIONAL ASSOCIATION FOR VARIABLE ANNUITIES**

11710 Plaza America Dr., Suite 100  
Reston, VA 20190  
Tel: 703-707-8830  
Fax: 703-707-8831  
Web: <http://www.navanet.org>  
Promotes the growth, acceptance and understanding of annuity and variable life products to retirement-focused Americans; provides educational and informational resources.

**NATIONAL ASSOCIATION OF  
FEDERAL CREDIT UNIONS**

3138 10th St. North  
Arlington, VA 22201-2149  
Tel: 800-336-4644  
Fax: 703-524-1082

Web: <http://www.nafcunet.org/>  
Trade association that exclusively represents the interests of federal credit unions before the federal government and the public.

**NATIONAL ASSOCIATION OF INSURANCE  
AND FINANCIAL ADVISORS**

2901 Telestar Court, PO Box 12012  
Falls Church, VA 22042-1205  
Tel: 877-866-2432

Web: <http://www.naifa.org>  
Professional association representing health and life insurance agents.

**NATIONAL ASSOCIATION OF  
INVESTMENT PROFESSIONALS**

12664 Emmer Place, Suite 201  
St. Paul, MN 55124  
Tel: 952-322-4322

Web: <http://www.naip.com/>  
Promotes the interests and the image of its financial professionals members, and encourages and facilitates higher levels of competency in members so that they may better serve the investing public.

**THE NATIONAL ASSOCIATION OF  
PERSONAL FINANCIAL ADVISORS**

3250 North Arlington Heights Road, Suite 109  
Arlington Heights, IL 60004  
Tel: 800-366-2732  
Fax: 847-483-5415

Web: <http://www.napfa.org/>  
Organization of fee-only financial planning professionals serving individuals and institutions.

**NATIONAL CREDIT UNION  
ADMINISTRATION**

1775 Duke St.  
Alexandria, VA 22314-3428  
Tel: 703-518-6300

Fax: 703-518-6660

Web: <http://www.ncua.gov>  
An independent agency in the executive branch of the federal government responsible for chartering, insuring, supervising and examining federal credit unions.

**NATIONAL FUTURES ASSOCIATION**

200 W. Madison St., #1600  
Chicago, IL 60606-3447  
Tel: 312-781-1300

Fax: 312-781-1467  
Web: <http://www.nfa.futures.org>  
Industrywide self-regulatory organization for the commodity futures industry.

**NATIONAL REVERSE MORTGAGE  
LENDERS ASSOCIATION**

1400 16th St., NW, Suite 420  
Washington, DC 20036  
Tel: 202-939-1760

Web: <http://www.nrmlaonline.org>  
The group educates consumers about the opportunity to utilize reverse mortgages and trains lenders to be sensitive to the needs of older Americans.

**OFFICE OF THRIFT SUPERVISION**

1700 G St., NW  
Washington, DC 20552  
Tel: 202-906-6000

Web: <http://www.ots.treas.gov/>  
The primary regulator of all federal and many state-chartered thrift institutions, which include savings banks and savings and loan associations.

**OPTIONS INDUSTRY COUNCIL**

One North Wacker Dr., Suite 500  
Chicago, IL 60606  
Tel: 800-678-4667

Web: <http://www.optionscentral.com>  
Nonprofit association created to educate the investing public and brokers about the benefits and risks of exchange-traded options.

**PENSION RESEARCH COUNCIL**

The Wharton School of the University of Pennsylvania  
 3620 Locust Walk, 3000 Steinberg Hall - Dietrich Hall  
 Philadelphia, PA 19104-6302  
 Tel: 215-898-7620  
 Fax: 215-573-3418  
 Web: <http://prc.wharton.upenn.edu/prc/prc.html>  
 Organization committed to generating debate on key policy issues affecting pensions and other employee benefits.

**RETIREMENT INCOME INDUSTRY ASSOCIATION**

101 Federal St., Suite 1900  
 Boston, MA 02110  
 Tel: 617-342-7390  
 Fax: 617-342-7080  
 Web: <http://www.riia-usa.org/aboutriia.htm>  
 Financial services industry association focusing on the financial and public policy issues related to the income needs of retirees. Members include insurance companies, banks, securities firms and others.

**SECURITIES AND EXCHANGE COMMISSION**

100 F St., NE  
 Washington, DC 20549  
 Tel: 202-551-6551  
 Web: <http://www.sec.gov/>  
 Primary mission is to protect investors and maintain the integrity of the securities markets.

**SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION**

120 Broadway, 35th Floor  
 New York, NY 10271-0080  
 Tel: 212-608-1500  
 Fax: 212-968-0703  
 Web: <http://www.sia.com/>  
 Association bringing together the shared interests of securities firms to accomplish common goals.

**SNL FINANCIAL LC**

One SNL Plaza, PO Box 2124  
 Charlottesville, VA 22902  
 Tel: 434-977-1600  
 Fax: 434-977-4466  
 Web: <http://www.snl.com>  
 Research firm that collects, standardizes and disseminates all relevant corporate, financial, market and M&A data as well as news and analytics for the industries it covers: banking, specialized financial services, insurance, real estate and energy.

**SOCIETY OF FINANCIAL SERVICES PROFESSIONALS**

17 Campus Blvd., Suite 201  
 Newtown Square, PA 19073-3230  
 Tel: 610-526-2500  
 Fax: 610-527-1499  
 Web: <http://www.financialpro.org/>  
 Advances the professionalism of credentialed members with state-of-the-art resources to serve their clients' financial needs.

**TOWERGROUP**

Two Charles River Place, 63 Kendrick St.  
 Needham, MA 02494-2708  
 Tel: 781-292-5200  
 Fax: 781-449-6982  
 Web: <http://www.towergroup.com/>  
 Research and advisory firm focused exclusively on the global financial services industry.

**VARDS/MORNINGSTAR, INC.**

225 West Wacker Dr.  
 Chicago, IL 60606  
 Tel: 312-696-6000  
 Web: <http://corporate.morningstar.com>  
 Software technology and research data firm that helps annuity manufacturers, distributors, and financial advisors implement new technology and business practices in the sale and servicing of annuities.

## Agents and Brokers (*See also state organizations section*)

### **AMERICAN ASSOCIATION OF MANAGING GENERAL AGENTS**

150 South Warner Rd., Suite 156  
King of Prussia, PA 19406  
Tel: 610-225-1999  
Fax: 610-225-1996  
Web: <http://www.aamga.org>  
Membership association of managing general agents of insurers.

### **THE COUNCIL OF INSURANCE AGENTS AND BROKERS**

701 Pennsylvania Ave. NW, Suite 750  
Washington, DC 20004-2608  
Tel: 202-783-4400  
Fax: 202-783-4410  
Web: <http://www.CIAB.com>  
A trade organization representing leading commercial insurance agencies and brokerage firms.

### **INDEPENDENT INSURANCE AGENTS & BROKERS OF AMERICA, INC.**

127 South Peyton St.  
Alexandria, VA 22314  
Tel: 800-221-7917  
Fax: 703-683-7556  
Web: <http://www.independentagent.com>  
Trade association of independent insurance agents.

### **INSURANCE BROKERS & AGENTS OF THE WEST (IBA WEST)**

7041 Koll Center Parkway, Suite 290  
Pleasanton, CA 94566  
Tel: 800-772-8998  
Fax: 818-244-7306  
Web: <http://www.ibawest.com>

### **LATIN AMERICAN AGENTS ASSOCIATION**

PO Box 5890  
El Monte, CA 91734  
Tel: 626-444-0999  
Fax: 626-444-2999  
Web: <http://www.latinagents.com>  
An independent group of Hispanic agents and brokers, whose goal is to educate, influence and inform the insurance community about the specific needs of the Latino community in the United States.

### **LATIN AMERICAN ASSOCIATION OF INSURANCE AGENCIES**

2550 NW 72nd Ave., Suite 318  
Miami, FL 33122  
Tel: 305-477-1442  
Fax: 305-477-5298  
Web: <http://www.laaia.com>  
An association of insurance professionals whose purpose is to protect the rights of its members, benefit the consumer through education, provide information and networking services, and promote active participation in the political environment and community service.

### **NATIONAL ASSOCIATION OF PROFESSIONAL INSURANCE AGENTS (PIA)**

400 N. Washington St.  
Alexandria, VA 22314  
Tel: 703-836-9340  
Fax: 703-836-1279  
Web: <http://www.pianet.com>  
Trade association of independent insurance agents.

## Regulatory/Legislative Organizations

### **NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS**

2301 McGee St., Suite 800  
 Kansas City, MO 64108-2662  
 Tel: 816-842-3600  
 Fax: 816-783-8175

Web: <http://www.naic.org>

Organization of state insurance commissioners to promote uniformity in state supervision of insurance matters and to recommend legislation in state legislatures.

### **NATIONAL CONFERENCE OF INSURANCE GUARANTY FUNDS**

300 North Meridian St., Suite 1020  
 Indianapolis, IN 46204  
 Tel: 317-464-8199  
 Fax: 317-464-8180

Web: <http://www.ncigf.org>

Advisory organization to the state guaranty fund boards; gathers and disseminates information regarding insurer insolvencies.

### **NATIONAL CONFERENCE OF INSURANCE LEGISLATORS**

385 Jordan Road  
 Troy, NY 12180  
 Tel: 518-687-0178  
 Fax: 518-687-0401

Web: <http://www.ncoil.org>

Organization of state legislators whose main area of public policy concern is insurance and insurance regulation.

## Educational Organizations

### **THE AMERICAN COLLEGE**

270 S. Bryn Mawr Ave.  
 Bryn Mawr, PA 19010  
 Tel: 888-263-7265  
 Fax: 610-526-1465

Web: <http://www.theamericancollege.edu>

An independent, accredited nonprofit institution, originally The American College of Life Underwriters. Provides graduate and professional education in insurance and other financial services.

### **AMERICAN INSTITUTE FOR CHARTERED PROPERTY CASUALTY UNDERWRITERS**

720 Providence Rd., PO Box 3016  
 Malvern, PA 19355-0716  
 Tel: 800-644-2101  
 Fax: 610-640-9576

Web: <http://www.aicpcu.org>

An independent, nonprofit educational organization that confers the Chartered Property Casualty Underwriter (CPCU) professional designation on those individuals who meet its education, experience and ethics requirements.

### **CFA INSTITUTE**

560 Ray C. Hunt Drive  
 Charlottesville, VA 22903-2981  
 Tel: 800-247-8132

Web: <http://www.cfainstitute.org/>

Global membership organization that awards the CFA designation, the institute leads the investment industry by setting the highest standards of ethics and professional excellence and vigorously advocating fair and transparent capital markets.

**CPCU (CHARTERED PROPERTY CASUALTY UNDERWRITERS) SOCIETY**

720 Providence Rd., PO Box 3009  
Malvern, PA 19355-0709  
Tel: 800-932-2728  
Fax: 610-251-2780  
Web: <http://www.cpcusociety.org>  
Professional society established to foster the higher education of those engaged in insurance and risk management; encourages and conducts research.

**FOCAL INSURANCE CONSULTING – INSURANCE EDUCATION**

PO Box 175  
Pomona, NY 10970  
Tel: 845-354-2036  
Fax: 845-354-4779  
Web: <http://www.focalinsurance.com>  
Provides continuing education courses to insurance professionals in property, liability, life, accident and health and annuities. Courses are offered in Connecticut, New Jersey (including pre-licensing) and New York.

**INSURANCE EDUCATION INSTITUTE**

3601 Vincennes Rd.  
Indianapolis, IN 46268-0700  
Tel: 800-433-8408  
Fax: 317-879-8408  
Web: [www.theiei.org](http://www.theiei.org)  
Organization dedicated to educating Main St. America about how insurance works.

**INSURANCE EDUCATIONAL ASSOCIATION**

2670 North Main St., Suite 350  
Santa Ana, CA 92705  
Tel: 800-655-4432  
Fax: 714-689-0112  
Web: <http://www.ieatraining.com/>  
School offering insurance-related semester courses, workshops, self-study, tele-learning, online courses and customized in-house programs to students in the western United States.

**INSURANCE INSTITUTE OF AMERICA, INC.**

720 Providence Rd., PO Box 3016  
Malvern, PA 19355-0716  
Tel: 800-644-2101  
Fax: 610-640-9576  
Web: <http://www.aicpcu.org>  
Provides educational programs and professional certification to people in property and liability insurance. Offerings range from entry-level to advanced, specialized programs. Certification is determined through the administration of national exams.

**INSURANCE LIBRARY ASSOCIATION OF BOSTON**

156 State St.  
Boston, MA 02109  
Tel: 617-227-2087  
Fax: 617-723-8524  
Web: <http://www.insurancelibrary.org>  
A nonprofit, independent membership library serving the research and education interests of all branches of the insurance industry.

**SCHOOL OF RISK MANAGEMENT, INSURANCE AND ACTUARIAL SCIENCE OF THE TOBIN COLLEGE OF BUSINESS AT ST. JOHN'S UNIVERSITY (FORMERLY THE COLLEGE OF INSURANCE)**

101 Murray St.  
New York, NY 10007  
Tel: 212-277-5193  
Fax: 212-277-5189  
Web: <http://www.stjohns.edu/academics/graduate/tobin/srm>  
Insurance industry-supported college providing a curriculum leading to bachelor's and master's degrees in business administration, financial management of risk, insurance finance and actuarial science. The Kathryn and Shelby Cullom Davis Library (212-217-5135) provides services, products and resources to its members.

**SOCIETY OF CERTIFIED  
INSURANCE COUNSELORS**

The National Alliance for Insurance  
Education & Research  
3630 N Hills Dr., PO Box 27027  
Austin, TX 78755-2027  
Tel: 800-633-2165  
Fax: 512-349-6194  
Web: <http://www.scic.com>  
National education program in property,  
liability and life insurance, with a continuing  
education requirement upon designation.

**SOCIETY OF FINANCIAL EXAMINERS**

174 Grace Blvd  
Altamonte Springs, FL 32714  
Tel: 800-787-7633  
Fax: 407-682-3175  
Web: <http://www.sofe.org>  
Professional society for examiners of insurance  
companies, banks, savings and loans, and credit  
unions.

**SOCIETY OF INSURANCE  
TRAINERS AND EDUCATORS**

2120 Market St., Suite 108  
San Francisco, CA 94114  
Tel: 415-621-2830  
Fax: 415-621-0889  
Web: <http://www.insurancetrainers.org>  
Professional organization

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## Specialty Organizations

**Actuarial/Accounting****THE ACTUARIAL FOUNDATION**

475 N. Martingale Rd., Suite 600  
Schaumburg, IL 60173-2226  
Tel: 847-706-3535  
Fax: 847-706-3599  
Web: <http://www.actuarialfoundation.org>  
Develops, funds and executes education and  
research programs that serve the public by  
harnessing the talents of actuaries.

**AMERICAN ACADEMY OF ACTUARIES**

1100 17th St., NW, 7th Floor  
Washington, DC 20036  
Tel: 202-223-8196  
Fax: 202-872-1948  
Web: <http://www.actuary.org>  
Professional association for actuaries. Issues  
standards of conduct and provides government  
liaison and advisory opinions.

**CASUALTY ACTUARIAL SOCIETY**

4350 North Fairfax Drive, Suite 250  
Arlington, VA 22203  
Tel: 703-276-3100  
Fax: 703-276-3108  
Web: <http://www.casact.org>  
Promotes actuarial and statistical science in  
property/casualty insurance fields.

**GROUP OF NORTH AMERICAN  
INSURANCE ENTERPRISES**

40 Exchange Place, Suite 1707  
New York, NY 10005  
Tel: 212-480-0808  
Fax: 212-480-9090  
Web: <http://www.insuranceaccounting.com>  
Group whose goals are to promote high quality  
international accounting standards for insurance  
companies and to increase communication  
between insurers doing business in North  
America and the International Accounting  
Standards Board and the U.S. Financial  
Accounting Standards Board.

**INSURANCE ACCOUNTING AND  
SYSTEMS ASSOCIATION, INC.**

3511 Shannon Road, Suite 160, PO Box 51340  
Durham, NC 27707  
Tel: 919-489-0991  
Fax: 919-489-1994  
Web: <http://www.iasa.org>  
An international organization to promote the  
study, research and development of modern  
techniques in insurance accounting and  
systems.



### **SOCIETY OF ACTUARIES**

475 North Martingale, #600

Schaumburg, IL 60173

Tel: 847-706-3500

Fax: 847-706-3599

Web: <http://www.soa.org>

An educational, research and professional organization dedicated to serving the public and its members. The Society's vision is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events.



### **Adjusters**

#### **NATIONAL ASSOCIATION OF INDEPENDENT INSURANCE ADJUSTERS**

825 West State St., Suite 117-C&B

Geneva, IL 60134

Tel: 630-397-5012

Fax: 630-397-5013

Web: <http://www.naiia.com>

Association of claims adjusters and firms operating independently on a fee basis for all insurance companies.

#### **NATIONAL ASSOCIATION OF PUBLIC INSURANCE ADJUSTERS**

21165 Whitfield Place, #105

Potomac Falls, VA 20165

Tel: 703-433-9217

Fax: 703-433-0369

Web: <http://www.napia.com>



### **Alternative Markets**

#### **CAPTIVE INSURANCE COMPANIES ASSOCIATION**

4248 Park Glen Rd.

Minneapolis, MN 55416

Tel: 952-928-4655

Fax: 952-929-1318

Web: <http://www.cicaworld.com>

Organization that disseminates information useful to firms that utilize the captive insurance company concept to solve corporate insurance problems.

#### **NATIONAL RISK RETENTION ASSOCIATION**

4248 Park Glen Rd.

Minneapolis, MN 55416

Tel: 952-928-4656

Fax: 952-929-1318

Web: <http://www.nrra-usa.org>

The voice of risk retention group and purchasing group liability insurance programs, organized pursuant to the Federal Liability Risk Retention Act.

#### **SELF-INSURANCE INSTITUTE OF AMERICA**

PO Box 1237

Simpsonville, SC 29681

Tel: 800-851-7789

Fax: 864-962-2483

Web: <http://www.siaa.org>

Organization that fosters and promotes alternative methods of risk protection.



### **Auto/Auto Insurance**

#### **AUTOMOBILE INSURANCE PLANS SERVICE OFFICE (AIPSO)**

302 Central Ave.

Johnston, RI 02919

Tel: 401-946-2310

Fax: 401-528-1350

Web: <http://www.aipso.com>

Develops and files rates and provides other services for state-mandated automobile insurance plans.

**CERTIFIED AUTOMOTIVE PARTS ASSOCIATION**

1518 K St. NW, Suite 306

Washington, DC 20005

Tel: 202-737-2212

Fax: 202-737-2214

Web: <http://www.capacertified.org>

Nonprofit organization formed to develop and oversee a test program guaranteeing the suitability and quality of automotive parts.

**INSURANCE AUTO AUCTION**

Two Westbrook Corporate Center, Suite 500

Westchester, IL 60154

Tel: 708-492-7000

Fax: 708-492-7078

Web: <http://home.iaai.com>

Assists insurers in adjustment of losses through the reclamation, reconditioning, and disposition of damaged goods.

**Automation and Claims Services****ACORD**

Two Blue Hill Plaza, 3rd Floor, PO Box 1529

Pearl River, NY 10965-8529

Tel: 845-620-1700

Fax: 845-620-3600

Web: <http://www.acord.com>

An industry-sponsored institute serving as the focal point for improving the computer processing of insurance transactions through the insurance agency system.

**IVANS (INSURANCE VALUE ADDED NETWORK SERVICES)**

100 First Stamford Place

Stamford, CT 06902

Tel: 800-288-4826

Fax: 203-698-7299

Web: <http://www.IVANS.com>

An industry-sponsored organization offering a data communications network linking agencies,

companies and providers of data to the insurance industry.

**Aviation****GLOBAL AEROSPACE, INC.**

51 John F. Kennedy Pkwy.

Short Hills, NJ 07078

Tel: 973-379-0800

Fax: 973-379-0900

Web: <http://www.aau.com>

A pool of property/casualty companies engaged in writing all classes of aviation insurance.

**U.S. AVIATION UNDERWRITERS, INC.**

One Seaport Plaza, 199 Water St.

New York, NY 10038-3526

Tel: 212-952-0100

Web: <http://www.usau.com>

Underwriting managers for United States Aircraft Insurance Group.

**Community Development****NEIGHBORHOOD HOUSING SERVICES OF AMERICA**

1970 Broadway, Suite 470

Oakland, CA 94612

Tel: 510-832-5542

Fax: 510-444-3063

Web: <http://www.nhsaonline.org/>

Works to promote home ownership and to strengthen America's neighborhoods by helping to deliver improved affordable housing for all.

**NEIGHBORHOOD HOUSING SERVICES  
(NHS) OF NEW YORK CITY**

307 West 36th St., 12th Floor  
New York, NY 10018

Tel: 212-519-2500

Fax: 212-727-8171

Web: <http://www.nhsnyc.org>

New York City-based not-for-profit housing organization dedicated to increasing and protecting investment in underserved low- and moderate-income neighborhoods. NHS works with the insurance industry to educate homeowners about the need for adequate property insurance coverage.

**NEIGHBORWORKS INSURANCE ALLIANCE**

1325 G St., NW, Suite 800  
Washington, DC 20005-3100

Tel: 202-220-2300

Fax: 202-376-2600

Web: <http://www.nw.org/network/neighborworksprogs/insurance/default.asp>

The goal of this group is to develop partnerships between the insurance industry and NeighborWorks organizations to better market the products and services of both, for the benefit of the customers and communities they serve.

**URBAN INSURANCE PARTNERS INSTITUTE**

2835 N. Sheffield Ave., Suite 213

Chicago, IL 60657

Tel: 773-880-8780

Fax: 773-880-8789

Web: <http://www.uipi.org>

Nonprofit insurance industry organization dedicated solely to urban affairs.



**Crime/Fraud**

**COALITION AGAINST INSURANCE FRAUD**

1012 14th St., NW, Suite 200

Washington, DC 20005

Tel: 202-393-7330

Fax: 202-318-9189

Web: <http://www.insurancefraud.org>

An alliance of consumer, law enforcement, and insurance industry groups dedicated to reducing all forms of insurance fraud through public advocacy and education.

**INSURANCE COMMITTEE  
FOR ARSON CONTROL**

3601 Vincennes Rd.

Indianapolis, IN 46268

Tel: 317-876-6226

Fax: 317-879-8408

Web: <http://www.arsoncontrol.org>

All-industry coalition that serves as a catalyst for insurers' anti-arson efforts and a liaison with government agencies and other groups devoted to arson control.

**INTERNATIONAL ASSOCIATION OF  
INSURANCE FRAUD AGENCIES, INC.**

PO Box 10018

Kansas City, MO 64171

Tel: 816-756-5285

Fax: 816-756-5287

Web: <http://www.iaifa.org>

An international association opening the doors of communication, cooperation and exchange of information in the fight against sophisticated global insurance and related financial insurance fraud.

**INTERNATIONAL ASSOCIATION OF  
SPECIAL INVESTIGATION UNITS**

8015 Corporate Drive, Suite A

Baltimore, MD 21236

Tel: 410-931-3332

Fax: 410-931-2060

Web: <http://www.iasiu.com>

Group whose goals are to promote a coordinated effort within the industry to combat insurance fraud and to provide education and training for insurance investigators.

**NATIONAL INSURANCE  
CRIME BUREAU (NICB)**

1111 East Touhy Ave., Suite 400

Des Plaines, IL 60018

Tel: 800-447-6282

Web: <http://www.nicb.org>

Not-for-profit organization dedicated to combating insurance fraud and vehicle theft.

### **NATIONAL INSURANCE CRIME BUREAU (NICB) – WASHINGTON MEDIA RELATIONS**

12701 Fail Lakes Circle, Suite 380  
Fairfax, VA 22203  
Tel: 703-222-6250 or 888-241-7159  
Fax: 703-469-2206  
Web: <http://www.nicb.org>

## **Crop Insurance**

### **AMERICAN ASSOCIATION OF CROP INSURERS**

1 Massachusetts Ave., NW, Suite 800,  
Washington, DC 20001-1401  
Tel: 202-789-4100  
Fax: 202-408-7763  
Web: <http://www.cropinsurers.com/>  
Trade association of insurance companies to promote crop insurance.

### **CROP INSURANCE RESEARCH BUREAU**

10800 Farley, Suite 330  
Overland Park, KS 66210  
Tel: 913-338-0470 or 888-274-2472  
Fax: 913-339-9336  
Web: <http://www.cropinsurance.org>  
Crop insurance trade organization.

### **NATIONAL CROP INSURANCE SERVICES, INC.**

8900 Indian Creek Parkway, Suite 600  
Overland Park, KS 66210-1567  
Tel: 913-685-2767  
Fax: 913-685-3080  
Web: <http://www.ag-risk.org>  
National trade association of insurance companies writing hail insurance, fire insurance and insurance against other weather perils to growing crops, with rating and research services for crop-hail and rain insurers.

## **Flood Insurance**

### **FEDERAL INSURANCE ADMINISTRATION**

500 C St., SW  
Washington, DC 20472  
Tel: 800-621-3362  
Fax: 800-827-8112  
Web: <http://www.fema.gov>  
Administers the federal flood insurance program.

## **International**

### **ASSOCIATION OF SUPERINTENDENTS OF INSURANCE OF LATIN AMERICA**

c/o Superintendencia de Valores y Seguros  
Chile  
Av. Libertador Bernardo O'Higgins 1449  
Piso 11, 8  
Santiago, Chile 834-0518  
Tel: (56) 2-473-4000  
Fax: (56) 2-473-4101  
Web: <http://www.assalweb.org/>  
International body that brings together the highest regulatory authorities in the Latin American insurance field. Comprised of 20 Latin American countries in addition to two associate members, Spain and Portugal.

### **AXCO INSURANCE INFORMATION SERVICES**

Forum House  
15-18 Lime St.  
London, EC3M 7AP  
Tel: (44) 20-7623-9820  
Fax: (44) 20-7623-9003  
Web: <http://www.axcoinfo.com/>  
Research firm providing detailed insurance, healthcare and pensions market information on 140 countries.

**COMITÉ EUROPÉEN DES ASSURANCES**

Blvd. Haussmann, 26  
 Paris, France 75009  
 Tel: (33) 1-44-83-11-83  
 Fax: (33) 1-47-70-03-75  
 Web: <http://www.cea.assur.org/>  
 Membership organization of 30 national associations representing the common interests of European insurers. Publishes European Insurance Data, an annual statistical review of the European market.

**GENEVA ASSOCIATION**

53 Route de Malagnou  
 Geneva, Switzerland CH-1208  
 Tel: (41) 22-707-66-00  
 Fax: (41) 22-736-75-36  
 Web: <http://www.genevaassociation.org/>  
 World organization formed by some 80 chief executive officers of leading insurance companies in Europe, North America, South America, Asia, Africa and Australia. Its main goal is to research the growing economic importance of worldwide insurance activities in the major sectors of the economy. Produces The Geneva Papers and other publications.

**GROUP OF NORTH AMERICAN INSURANCE ENTERPRISES**

40 Exchange Place, Suite 1707  
 New York, NY 10005  
 Tel: 212-480-0808  
 Fax: 212-480-9090  
 Web: <http://www.insuranceaccounting.com>  
 Group whose goals are to promote high quality international accounting standards for insurance companies and to increase communication between insurers doing business in North America and the International Accounting Standards Board and the U.S. Financial Accounting Standards Board.

**INSURANCE SERVICES NETWORK**

PO Box 455  
 Lake Forest, IL 60045  
 Tel: 847-234-4762  
 Fax: 847-295-2608  
 Web: <http://www.isn-inc.com/>  
 Independent insurance information company offering international industry news and analyses of the regulatory climate in dozens of countries. Publishes Insurance Research Letter.

**INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS**

c/o Bank For International Settlements  
 Basel, Switzerland CH-4002  
 Tel: (41) 61-225-7300  
 Fax: (41) 61-280-9151  
 Web: <http://www.iaisweb.org>  
 Represents insurance supervisory authorities of some 100 jurisdictions. Promotes cooperation among members and sets international standards for insurance supervision.

**INTERNATIONAL FEDERATION OF RISK AND INSURANCE MANAGEMENT ASSOCIATIONS, INC.**

c/o RIMS  
 1065 Avenue of the Americas, 13th Floor  
 New York, NY 10018  
 Tel: 212- 286-9292  
 Fax: 212- 655-5931  
 Web: <http://www.rims.org/ifrima/>  
 Worldwide umbrella organization dedicated to the advancement of risk management and its practice through education and interaction.

**INTERNATIONAL INSURANCE SOCIETY, INC.**

101 Murray St.  
 New York, NY 10007  
 Tel: 212-815-9291  
 Fax: 212-815-9297  
 Web: <http://www.IISonline.org>  
 A nonprofit membership organization whose mission is to facilitate international understanding, the transfer of ideas and innovations, and the development of personal

networks across insurance markets through a joint effort of leading executives and academics throughout the world.

### **INTERNATIONAL SOCIAL SECURITY ASSOCIATION**

c/o PREVENT, Institute for OSH

Rue Gachardstraat 88 b 4

Brussels, Belgium 1050

Tel: (32) 2-643-44-92

Fax: (32) 2-643-44-40

Web: <http://information.prevention.issa.int/>

Nonprofit international organization consisting of institutions and administrative bodies dealing with diverse aspects of social security in countries around the world.

### **INTERNATIONAL TRADE ADMINISTRATION**

U.S. Department of Commerce

1401 Constitution Ave.

Washington, DC 20230

Tel: 202-482-3809

Fax: 202-482-5819

Web: <http://www.ita.doc.gov>

Division of the U.S. Department of Commerce that helps U.S. businesses participate in the growing global marketplace.

### **ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)**

2, rue André Pascal

75775 Paris Cedex, France 16

Tel: (33) 1-45-24-82-00

Fax: (33) 1-45-24-85-00

Web: <http://www.oecd.org/>

International organization of industrialized, market-economy countries. The OECD publishes numerous reports, including the Insurance Statistics Yearbook.

### **ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD), WASHINGTON CENTER**

2001 L St., NW, Suite 650

Washington, DC 20036-4922

Tel: 202-785-6323

Fax: 202-785-0350

Web: <http://www.oecdwash.org>

Markets the publications of the OECD in the United States and serves as an information center for the U.S. market. The Center is engaged in public outreach activities and acts as a liaison office to the U.S. legislative and executive branches.

### **OVERSEAS PRIVATE INVESTMENT CORPORATION**

1100 New York Ave., NW

Washington, DC 20527

Tel: 202-336-8400

Fax: 202-336-7949

Web: <http://www.opic.gov>

Self-sustaining U.S. government agency providing political risk insurance and finance services for U.S. investment in developing countries.

### **SIGMA**

c/o Swiss Re

Mythenquai 50/60, PO Box 8022

Zurich, Switzerland

Tel: (41) 43-285-2121

Fax: (41) 43-285-2999

Web: <http://www.swissre.com>

The sigma publication series provides comprehensive information on international insurance markets and in-depth analyses of economic trends and strategic issues in insurance, reinsurance and financial services.

### **TOPICS**

c/o Munich Re

Munich, Germany 80802

Tel: (49) 89-38-91-0

Web: <http://www.munichre.com>

This annual publication presents a detailed account of the natural catastrophes that occurred in the past year and also examines long-term trends.

### **WORLD FACT BOOK**

c/o Central Intelligence Agency (CIA)  
Washington, DC 20505  
Tel: 703-482-0623  
Fax: 703-482-1739  
Web: <http://www.cia.gov/cia/publications/factbook/index.html>  
Produced by the CIA's Directorate of Intelligence, the fact book is a comprehensive resource of facts and statistics on more than 250 countries and other entities.



## **Legal Issues and Services**

### **AMERICAN PREPAID LEGAL SERVICES INSTITUTE**

321 N. Clark St.  
Chicago, IL 60610  
Tel: 312-988-5751  
Fax: 312-988-5710  
Web: <http://www.aplsi.org>  
National membership organization providing information and technical assistance to lawyers, insurance companies, administrators, marketers and consumers regarding group and prepaid legal service plans.

### **AMERICAN TORT REFORM ASSOCIATION**

1101 Connecticut Ave., NW, Suite 400  
Washington, DC 20036  
Tel: 202-682-1163  
Fax: 202-682-1022  
Web: <http://www.atra.org>  
A broad based, bipartisan coalition of more than 300 businesses, corporations, municipalities, associations, and professional firms that support civil justice reform.

### **ARBITRATION FORUMS, INC.**

3350 Buschwood Park Dr.  
Building 3, Suite 295  
Tampa, FL 33618-1500  
Tel: 888-272-3453  
Fax: 813-931-4618  
Web: <http://www.arbfile.org>

Nonprofit provider of interinsurance dispute resolution services for self-insureds, insurers and claim service organizations.

### **DEFENSE RESEARCH INSTITUTE**

150 North Michigan Ave., Suite 300  
Chicago, IL 60601  
Tel: 312-795-1101  
Fax: 312-795-0747  
Web: <http://www.dri.org>  
A national and international membership association of lawyers and others concerned with the defense of civil actions.

### **NATIONAL ARBITRATION FORUM**

PO Box 50191  
Minneapolis, MN 55405-0191  
Tel: 800-474-2371  
Fax: 952-345-1160  
Web: <http://www.arbitration-forum.com>  
A leading neutral administrator of arbitration, mediation and other forms of alternative dispute resolution worldwide.

### **NATIONAL STRUCTURED SETTLEMENTS TRADE ASSOCIATION**

1800 K St., NW, Suite 718  
Washington, DC 20006  
Tel: 202-466-2714  
Fax: 202-466-7414  
Web: <http://www.nssta.com>  
Trade association representing consultants, insurers and others who are interested in the resolution and financing of tort claims through periodic payments.



## **Marine and Ground Transportation**

### **AMERICAN INSTITUTE OF MARINE UNDERWRITERS**

14 Wall St.  
New York, NY 10005  
Tel: 212-233-0550  
Fax: 212-227-5102

Web: <http://www.aimu.org>

Provides information of concern to marine underwriters and promotes their interests.

### **INLAND MARINE UNDERWRITERS ASSOCIATION**

14 Wall St., 8th Floor

New York, NY 10005

Tel: 212-233-0550

Fax: 212-227-5102

Web: <http://www.imua.org>

Forum for discussion of problems of common concern to inland marine insurers.

### **Medical Malpractice/ Professional Liability**

#### **PHYSICIAN INSURERS ASSOCIATION OF AMERICA**

2275 Research Blvd., Suite 250

Rockville, MD 20850

Tel: 301-947-9000

Fax: 301-947-9090

Web: <http://www.thepiaa.org>

Trade association representing physician-owned mutual insurance companies that provide medical malpractice insurance.

#### **PROFESSIONAL LIABILITY UNDERWRITING SOCIETY (PLUS)**

5353 Wayzata Blvd., Suite 600

Minneapolis, MN 55416

Tel: 952-746-2580 or 800-845-0788

Fax: 952-746-2599

Web: <http://www.plusweb.org>

An international, nonprofit association that provides educational opportunities and programs to enhance the professionalism of its members.

### **Nuclear Insurance**

#### **AMERICAN NUCLEAR INSURERS**

95 Glastonbury Blvd.

Glastonbury, CT 06033

Tel: 860-682-1301

Fax: 860-659-0002

Web: <http://www.amnucins.com>

A nonprofit unincorporated association through which liability insurance protection is provided against hazards arising out of nuclear reactor installations and their operations.

### **Professional**

#### **APIW: A PROFESSIONAL ASSOCIATION OF WOMEN IN INSURANCE**

555 Fifth Ave., 8th Floor

New York, NY 10017

Tel: 212-867-0228

Fax: 212-867-2544

Web: <http://www.apiw.org>

A professional association of women in the insurance and reinsurance industry and related fields. Provides professional education, networking and support services to encourage the development of professional leadership among its members.

#### **INSURANCE DATA MANAGEMENT ASSOCIATION, INC. (IDMA)**

545 Washington Blvd., 22-16

Jersey City, NJ 07310-1686

Tel: 201-469-3069

Fax: 201-748-1690

Web: <http://www.idma.org>

An independent, nonprofit, professional, learned association dedicated to increasing the level of professionalism, knowledge and visibility of insurance data management. To achieve that goal, IDMA focuses on courses and certification, forums and seminars, and data management publications and periodicals.



**INSURANCE REGULATORY  
EXAMINERS SOCIETY**

12710 S. Pflumm Road, Suite 200  
Olathe, KS 66062  
Tel: 913-768-4700  
Fax: 913-768-4900  
Web: <http://www.go-ires.org>  
Nonprofit professional and educational  
association for examiners and other  
professionals working in the insurance industry.

**NATIONAL AFRICAN-AMERICAN  
INSURANCE ASSOCIATION**

1718 M St., NW, Box #1110  
Washington, DC 20036  
Tel: 866-56-NAAIA  
Web: <http://www.naaia.org>  
NAAIA fosters the nationwide presence,  
participation and long-term financial success  
of African-American insurance professionals  
within the greater insurance community  
and provides its members and the insurance  
industry a forum for sharing information and  
ideas that enhance business and professional  
development.

**NATIONAL ASSOCIATION OF INSURANCE  
AND FINANCIAL ADVISORS**

2901 Telestar Court, PO Box 12012  
Falls Church, VA 22042-1205  
Tel: 703-770-8100  
Fax: 703-770-8224  
Web: <http://www.naifa.org>  
Professional association representing health and  
life insurance agents.

**NATIONAL ASSOCIATION OF  
INSURANCE WOMEN**

6528 E. 101st St., PMB #750  
Tulsa, OK 74133  
Tel: 800-766-6249  
Fax: 918-743-1968  
Web: <http://www.naiw.org>  
Fosters educational programs for members.  
Promotes public safety and service programs.

**NATIONAL INSURANCE ASSOCIATION**

411 Chapel Hill DR., Suite 663  
Durham, NC 27701  
Tel: 919-683-5328  
An association established in 1973 to help  
promote the advancement of minority  
professionals within the insurance industry and  
to provide a forum for the exchange of ideas  
and information

**Property Insurance Plans**

**PROPERTY INSURANCE  
PLANS SERVICE OFFICE**

27 School St., Suite 302  
Boston, MA 02108  
Tel: 617-371-4175  
Fax: 617-371-4177  
Web: <http://www.pipso.com>  
Provides technical and administrative services  
to state property insurance plans.

**Reinsurance**

**INTERMEDIARIES AND REINSURANCE  
UNDERWRITERS ASSOCIATION, INC.**

971 Route 202 North  
Branchburg, NJ 08876  
Tel: 908-203-0211  
Fax: 908-203-0213  
Web: <http://www.irua.com>  
Educational association to encourage the  
exchange of ideas among reinsurers worldwide  
writing principally treaty reinsurance.

## Risk Management

### LOSS EXECUTIVES ASSOCIATION

PO Box 37

Tenafly, NJ 07670

Tel: 732-388-5700

Fax: 732-388-0171

Web: <http://www.lossexecutivesassoc.org>

A professional association of property loss executives providing education to the industry.

### NONPROFIT RISK MANAGEMENT CENTER

1130 Seventeenth St., NW, Suite 210

Washington, DC 20036

Tel: 202-785-3891

Fax: 202-296-0349

Web: <http://www.nonprofitrisk.org>

Conducts research and education on risk management and insurance issues of special concern to nonprofit organizations.

### PUBLIC RISK MANAGEMENT ASSOCIATION

500 Montgomery St., Suite 750

Alexandria, VA 22314

Tel: 703-528-7701

Fax: 703-739-0200

Web: <http://www.primacentral.org>

Membership organization representing risk managers in state and local public entities.

### RISK AND INSURANCE MANAGEMENT SOCIETY, INC.

1065 Avenue of The Americas, 13th Floor

New York, NY 10018

Tel: 212-286-9292

Web: <http://www.rims.org>

Organization of corporate buyers of insurance which makes known to insurers the insurance needs of business and industry, supports loss prevention, and provides a forum for the discussion of common objectives and problems.

### THE RISK MANAGEMENT ASSOCIATION

1801 Market St., Suite 300

Philadelphia, PA 19103-1628

Tel: 215-446-4000

Fax: 215-446-4101

Web: <http://www.rmahq.org>

Professional association that promotes prudent risk management practices for institutions of all sizes across the entire financial services industry.

## Safety/Disaster Mitigation

### ADVOCATES FOR HIGHWAY AND AUTO SAFETY

750 First St., NE, Suite 901

Washington, DC 20002

Tel: 202-408-1711

Fax: 202-408-1699

Web: <http://www.saferoads.org>

An alliance of consumer, safety and insurance organizations dedicated to highway and auto safety.

### HIGHWAY LOSS DATA INSTITUTE

1005 North Glebe Rd., Suite 800

Arlington, VA 22201

Tel: 703-247-1600

Fax: 703-247-1588

Web: <http://www.hwysafety.org>

Nonprofit organization to gather, process and provide the public with insurance data concerned with human and economic losses resulting from highway accidents.

**INSTITUTE FOR BUSINESS & HOME SAFETY (IBHS)**

4775 E. Fowler Ave.

Tampa, FL 33617

Tel: 813-286-3400

Fax: 813-286-9960

Web: <http://www.ibhs.org>

The institute works to reduce the social and economic effects of natural disasters and other property losses by conducting research and advocating improved construction, maintenance and preparation practices.

**INSURANCE INSTITUTE FOR HIGHWAY SAFETY (IIHS)**

1005 North Glebe Rd., Suite 800

Arlington, VA 22201

Tel: 703-247-1500

Fax: 703-247-1588

Web: <http://www.highwaysafety.org>

Research and education organization dedicated to reducing loss, death, injury and property damage on the highways. Fully funded by property/casualty insurers.

**NATIONAL FIRE PROTECTION ASSOCIATION**

One Batterymarch Park

Quincy, MA 02169-7471

Tel: 617-770-3000

Fax: 617-770-0700

Web: <http://www.nfpa.org>

Independent, nonprofit source of information on fire protection, prevention and suppression. Develops and publishes consensus fire safety standards.

**NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA)**

400 Seventh St., SW

Washington, DC 20590

Tel: 888-327-4236

Fax: 202-366-2106

Web: <http://www.nhtsa.dot.gov>

Carries out programs and studies aimed at reducing economic losses in motor vehicle crashes and repairs.

**NATIONAL INSTITUTE OF BUILDING SCIENCES**

1090 Vermont Ave., NW, Suite 700

Washington, DC 20005-4905

Tel: 202-289-7800

Fax: 202-289-1092

Web: <http://www.nibs.org/pubsbetec.html>

A nonprofit, nongovernmental organization bringing together representatives of government, the professions, industry, labor and consumer interests to focus on the identification and resolution of problems and potential problems that hamper the construction of safe, affordable structures for housing, commerce and industry throughout the United States.

**NATIONAL SAFETY COUNCIL**

1121 Spring Lake Dr.

Itasca, IL 60143-3201

Tel: 630-285-1121 or 800-621-7619

Fax: 630-285-1315

Web: <http://www.nsc.org>

Provides national support and leadership in the field of safety, publishes safety material and conducts public information and publicity programs.

**UNDERWRITERS' LABORATORIES, INC.**

333 Pfingsten Rd.

Northbrook, IL 60062-2096

Tel: 847-272-8800

Fax: 847-272-8129

Web: <http://www.ul.com>

Investigates and tests electrical materials and other products to determine that fire prevention and protection standards are being met.

## Surety, Financial Guaranty and Mortgage

### ASSOCIATION OF FINANCIAL GUARANTY INSURORS

c/o TowersGroup, 15 West 39th St., 14th Floor  
New York, NY 10018

Tel: 212-354-5020

Fax: 212-391-6920

Web: <http://www.afgi.org>

Trade association of the insurers and reinsurers of municipal bonds and asset-backed securities.

### MORTGAGE INSURANCE COMPANIES OF AMERICA (MICA)

727 15th St., NW, 12th Floor

Washington, DC 20005

Tel: 202-682-2683

Fax: 202-393-5557

Web: <http://micanews.com>

Represents the private mortgage insurance industry. MICA provides information on related legislative and regulatory issues, and strives to enhance understanding of the vital role private mortgage insurance plays in housing Americans.

### NATIONAL ASSOCIATION OF SURETY BOND PRODUCERS

1828 L St., NW, Suite 720

Washington, DC 20036-5104

Tel: 202-686-3700

Fax: 202-686-3656

Web: <http://www.nasbp.org>

Trade association of surety bond producers.

### SURETY ASSOCIATION OF AMERICA

1101 Connecticut Ave., NW, Suite 800

Washington, DC 20036

Tel: 202-463-0600

Fax: 202-463-0606

Web: <http://www.surety.org>

Statistical, rating, development and advisory organization for surety companies.

### SURETY INFORMATION OFFICE

1828 L St., NW, Suite 720

Washington, DC 20036-5104

Tel: 202-686-7463

Fax: 202-686-3656

Web: <http://www.sio.org>

Statistical, rating, development and advisory organization for surety companies. Membership includes insurance companies licensed to write fidelity or surety insurance in one or more states and foreign affiliates.

## Surplus Lines (See state organizations section)

## Title Insurance

### AMERICAN LAND TITLE ASSOCIATION

1828 L St. NW, Suite 705

Washington, DC 20036

Tel: 800-787-ALTA

Fax: 888-787-ALTA

Web: <http://www.alta.org>

Trade organization for title insurers, abstractors and agents. Performs statistical research and lobbying services.

## Weather

### WEATHER RISK MANAGEMENT ASSOCIATION (WRMA)

1156 15th St., NW, Suite 900

Washington, DC 20005

Tel: 202-289-3800

Fax: 202-223-9741

Web: <http://www.wrma.org>

The goal of the WRMA is to serve the weather risk management industry by providing forums for discussion and interaction with others associated with financial weather products.

## Workers Compensation

### INTEGRATED BENEFITS INSTITUTE

595 Market St., Suite 810  
San Francisco, CA 94105  
Tel: 415-222-7280  
Fax: 415-222-7281  
Web: <http://www.ibiweb.org>

A private, nonprofit organization that provides research, discussion and analysis, data services and legislative review to measure and improve integrated benefits programs, enhance efficiency in delivery of all employee-based benefits and promote effective return-to-work.

### NATIONAL ACADEMY OF SOCIAL INSURANCE

1776 Massachusetts Ave., NW, Suite 615  
Washington, DC 20036  
Tel: 202- 452-8097  
Fax: 202- 452-8111  
Web: <http://www.nasi.org>

A nonprofit, nonpartisan organization made up of the nation's leading experts on social insurance. Its mission is to promote understanding and informed policymaking on social insurance and related programs through research, public education, training, and the open exchange of ideas.

### NCCI HOLDINGS, INC.

901 Peninsula Corporate Circle  
Boca Raton, FL 33487  
Tel: 561-893-1000  
Fax: 561- 893-1191  
Web: <http://www.ncci.com>

Develops and administers rating plans and systems for workers compensation insurance.

### NCCI HOLDINGS, INC. – REGULATORY DIVISION

5 Marine View Plaza  
Hoboken, NJ 07030  
Tel: 201-222-0500  
Fax: 201-222-8880  
Web: <http://www.ncci.com>

### WORKERS COMPENSATION RESEARCH INSTITUTE

955 Massachusetts Ave.  
Cambridge, MA 02139  
Tel: 617-661-9274  
Web: <http://www.wcrinet.org>

A nonpartisan, not-for-profit membership organization conducting public policy research on workers' compensation, health care and disability issues. Members include employers, insurers, insurance regulators and state regulatory agencies, as well as several state labor organizations.

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## Research and Ratings Organizations

### A.M. BEST COMPANY INC.

Ambest Rd.  
Oldwick, NJ 08858  
Tel: 908-439-2200  
Web: <http://www.ambest.com>  
Rating organization and publisher of reference books and periodicals relating to the insurance industry.

### AIR WORLDWIDE CORPORATION

131 Dartmouth St.  
Boston, MA 02116  
Tel: 617-267-6645  
Fax: 617-267-8284  
Web: <http://www.air-worldwide.com>  
Risk modeling and technology firm that develops models of global natural hazards, enabling companies to identify, quantify and plan for the financial consequences of catastrophic events.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES**

1745 S. Naperville Rd.  
 Wheaton, IL 60187-8132  
 Tel: 630-681-8347 or 800-564-AAIS  
 Fax: 630-681-8356  
 Web: <http://www.aaisonline.com/>  
 Rating, statistical and advisory organization, made up principally of small and medium-sized property/casualty companies.

**CONNING RESEARCH AND CONSULTING, INC.**

One Financial Plaza  
 Hartford, CT 06103-2627  
 Tel: 888-266-6464  
 Web: <http://www.conningresearch.com>  
 Research and consulting firm that offers a growing array of specialty information products, insights and analyses of key issues confronting the insurance industry.

**EQECAT**

475 14th St., 5th Floor, Suite 550  
 Oakland, CA 94612-1900  
 Tel: 510-817-3100  
 Web: <http://www.eqecat.com>  
 Provider of products and services for managing natural and man-made risks. Provides innovative catastrophe management solutions for property and casualty insurance underwriting, accumulation management and transfer of natural hazard and terrorism risk.

**FITCH CREDIT RATING COMPANY**

One State St. Plaza  
 New York, NY 10004  
 Tel: 212-908-0500 or 800-75Fitch  
 Fax: 212-480-4435  
 Web: <http://www.fitchratings.com/>  
 Assigns claims-paying ability ratings to insurance companies.

**HIGHLINE DATA LLC**

One Alewife Center, Suite 460  
 Cambridge, MA 02140  
 Tel: 877-299-9424  
 Web: <http://www.highlinedata.com/>  
 An information and data services company comprised of two principal product lines: National Underwriter Insurance Data Services and Highline Banking Data Services.

**INSURANCE ADVISORY BOARD C/O THE CORPORATE EXECUTIVE BOARD**

2000 Pennsylvania Ave., NW, Suite 6000  
 Washington, DC 20006  
 Tel: 202-777-5000  
 Fax: 202-777-5100  
 Web: <http://www.insuranceadvisoryboard.com>  
 Membership organization of senior executives committed to sharing insights and strategies for addressing common challenges in the life and property/casualty (general) insurance markets.

**INSURANCE RESEARCH COUNCIL (A DIVISION OF THE AMERICAN INSTITUTE FOR CPCU)**

718 Providence Rd., PO Box 3025  
 Malvern, PA 19355-0725  
 Tel: 610-644-2212  
 Fax: 610-640-5388  
 Web: <http://www.ircweb.org>  
 Provides the public and the insurance industry with timely research information relevant to public policy issues affecting risk and insurance.

**ISO**

545 Washington Blvd.  
 Jersey City, NJ 07310-1686  
 Tel: 800-888-4476  
 Fax: 201-748-1472  
 Web: <http://www.iso.com>  
 Provider of products and services that help measure, manage and reduce risk. Provides data, analytics and decision-support solutions to professionals in many fields, including insurance, finance, real estate, health services, government and human resources.

**MARSHALL & SWIFT/BOECKH**

2885 S. Calhoun Road  
New Berlin, WI 53151  
Tel: 262-780-2800 or 800-809-0016  
Fax: 262-780-0306  
Web: <http://www.msinfo.com>  
Building cost research company providing data and estimating technologies to the property insurance industry.

**MOODY'S INVESTORS SERVICE**

99 Church St.  
New York, NY 10007  
Tel: 212-553-1653  
Web: <http://www.moodys.com>  
Global credit analysis and financial information firm.

**NATIONAL INDEPENDENT STATISTICAL SERVICE**

3601 Vincennes Rd., PO Box 68950  
Indianapolis, IN 46268  
Tel: 317-876-6200  
Fax: 317-876-6210  
Web: <http://www.niss-stat.org>  
National statistical agent and advisory organization for all lines of insurance, except workers compensation.

**RAND INSTITUTE FOR CIVIL JUSTICE**

1776 Main St., PO Box 2138  
Santa Monica, CA 90407-2138  
Tel: 310-451-6979  
Web: <http://www.rand.org/centers/icj>  
Organization formed within The Rand Corporation to perform independent, objective research and analysis concerning the civil justice system.

**RISK MANAGEMENT SOLUTIONS, INC.**

7015 Gateway Blvd.  
Newark, CA 94560  
Tel: 510-505-2500  
Fax: 510-505-2501  
Web: <http://www.rms.com>

Provides products and services for the quantification and management of catastrophe risk associated with natural perils as well as products for weather derivatives and enterprise risk management for the property/casualty insurance industry.

**SOCIETY OF INSURANCE RESEARCH**

631 Eastpointe Drive  
Shelbyville, IN 46176  
Tel: 317-398-3684  
Fax: 317-642-0535  
Web: <http://www.sirnet.org>  
Stimulates insurance research and fosters exchanges among society members on research methodology.

**STANDARD AND POOR'S RATING GROUP**

55 Water St.  
New York, NY 10041  
Tel: 212-438-1000  
Web: <http://www.standardandpoors.com>  
Monitors the credit quality of bonds and other financial instruments of corporations, governments and supranational entities.

**WARD GROUP**

11500 Northlake Dr., Suite 305  
Cincinnati, OH 45249-1662  
Tel: 513-791-0303  
Fax: 513-985-3442  
Web: <http://www.wardinc.com>  
Management consulting firm specializing in the insurance industry.

## State Organizations

### Alabama

#### State Associations

##### **ALABAMA ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (AAIFA)**

2820 Fairlane Drive, Suite A-1  
Montgomery, AL 36116-1637  
Tel: 334-271-4900  
Fax: 334-271-4960  
Web: <http://naifanet.com/alabama>

#### Agent Associations

##### **ALABAMA INDEPENDENT INSURANCE AGENTS, INC.**

141 London Parkway  
Birmingham, AL 35211  
Tel: 205-326-4129  
Fax: 205-326-3086  
Web: <http://www.aiaa.org>

##### **PROFESSIONAL INSURANCE AGENTS OF ALABAMA**

421 Twain Curve, Suite 2  
PO Box 210458 (36121)  
Montgomery, AL 36117  
Tel: 334-244-7422  
Fax: 334-244-9921  
Web: <http://piaal.com>

### Alaska

#### No State Associations

#### Agent Associations

##### **ALASKA INDEPENDENT INSURANCE AGENTS & BROKERS, INC.**

PO Box 112908  
Anchorage, AK 99511  
Tel: 907-349-2500  
Fax: 907-349-1300  
Web: <http://www.iiaba.net>

##### **PROFESSIONAL INSURANCE AGENTS OF ALASKA**

See PIA - Western Alliance  
(under Washington State)

### Arizona

#### State Associations

##### **ARIZONA INSURANCE INFORMATION ASSOCIATION**

11801 N. Tatum Blvd., Suite 142  
Phoenix, AR 85028-1613  
Tel: 602-996-7009  
Fax: 602-996-7016  
Web: <http://www.azinsurance.org>

##### **NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NAIFA – ARIZONA)**

PO Box 4728  
Scottsdale, AR 85261-4728  
Tel: 480-661-6393  
Fax: 480-661-6743  
Web: <http://www.naifa-az.org>

#### Agent Associations

##### **INDEPENDENT INSURANCE AGENTS & BROKERS OF ARIZONA, INC.**

333 E. Flower St.  
Phoenix, AR 85012  
Tel: 602-956-1851  
Fax: 602-468-1392  
Web: <http://www.iiabaz.com>

##### **PROFESSIONAL INSURANCE AGENTS OF ARIZONA**

See PIA - Western Alliance  
(under Washington State)



## Other Organizations

**SURPLUS LINE ASSOCIATION OF ARIZONA**

(Stamping Office)

4041 N. Central Ave. #515

Phoenix, AR 85012

Tel: 602-279-6344

Fax: 602-222-9332

Web: <http://www.sla-az.org>

## Arkansas

## State Associations

**THE NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NAIFA – ARKANSAS)**

650 Edgewood Drive, Suite 201

Maumelle, AK 72113

Tel: 501-851-6617

Fax: 501-851-1126

## Agent Associations

**INDEPENDENT INSURANCE AGENTS OF ARKANSAS**

11225 Huron Lane, Suite 222

PO Box 24808

Little Rock, AK 72221

Tel: 501-221-2444

Fax: 501-221-0364

Web: <http://www.iaa.org>**PROFESSIONAL INSURANCE AGENTS OF ARKANSAS**

10 Corporate Hill, Suite 130

Little Rock, AK 72205

Tel: 501-225-1645

Fax: 501-225-2550

Web: <http://www.piaa.com>

## Other Organizations

**M.J. KELLY COMPANY OF ARKANSAS INC.**

PO Box 25540

Little Rock, AK 72221

Tel: 501-945-3159

Fax: 501-945-6083

Web: <http://www.mjkelly.com>

## California

## State Associations

**ASSOCIATION OF CALIFORNIA INSURANCE COMPANIES**

1415 L St., Suite 670

Sacramento, CA 95814-3972

Tel: 916-449-1370

Fax: 916-449-1378

Web: <http://www.acicnet.org>**ASSOCIATION OF CALIFORNIA LIFE AND HEALTH INSURANCE COMPANIES**

1201 K St., Suite 1820

Sacramento, CA 95814

Tel: 916-442-3648

Fax: 916-442-1730

Web: <http://www.aclhic.com>**INSURANCE INFORMATION NETWORK OF CALIFORNIA (IINC)**

900 Wilshire Blvd., Suite 1414

Los Angeles, CA 90017

Tel: 213-624-IINC

Fax: 213-624-4432

Web: <http://www.iinc.org>**PERSONAL INSURANCE FEDERATION OF CALIFORNIA**

980 Ninth St., Suite 2030

Sacramento, CA 95814

Tel: 916-442-6646

Fax: 916-446-9548

Web: <http://www.pifc.org>

**NATIONAL ASSOCIATION OF  
INSURANCE AND FINANCIAL ADVISORS  
– CALIFORNIA (NAIFA – CALIFORNIA)**

1425 River Park Drive, Suite 200  
Sacramento, CA 95815  
Tel: 916-646-8600  
Fax: 916-646-8130  
Web: <http://www.naifacalifornia.org>

**Agent Associations**

**PROFESSIONAL INSURANCE  
AGENTS OF CALIFORNIA**

See PIA - Western Alliance  
(under Washington State)

**PROFESSIONAL INSURANCE  
AGENTS GROUP**

PO Box 15952  
Sacramento, CA 95852  
Tel: 888-246-4466  
Fax: 888-346-4466  
Web: <http://www.piawest.com>

**Other Organizations**

**INSURANCE BROKERS & AGENTS  
OF THE WEST (IBA WEST)**

7041 Koll Center Parkway, Suite 290  
Pleasanton, CA 94566  
Tel: 800-772-8998; 925-426-3300  
Fax: 818-244-7306  
Web: <http://www.ibawest.com>

**IBA WEST – SOUTHERN CALIFORNIA**

21731 Ventura Blvd., Suite 165  
Woodland Hills, CA 91364  
Tel: 925-426-3310; 800-772-8998  
Fax: 925-484-6014  
Web: <http://www.ibawest.com>

**SCHUBERT FLINT PUBLIC AFFAIRS**

1415 L St., Suite 1250  
Sacramento, CA 95814  
Tel: 916-448-4234  
Fax: 916-448-5933  
Web: <http://www.schubertpa.com>

**SURPLUS LINES ASSOCIATION  
OF CALIFORNIA**

(Stamping Office)  
50 California St., Suite 1800  
San Francisco, CA 94111  
Tel: 415-434-4900  
Fax: 415-434-3716  
Web: <http://www.slacal.org>

## Colorado

**State Associations**

**COLORADO ASSOCIATION OF INSURANCE  
AND FINANCIAL ADVISORS (CAIFA)**

2170 South Parker Road, Suite 255  
Denver, CO 80231  
Tel: 303-283-6001  
Fax: 303-750-0085  
Web: <http://www.naifanet.com/colorado>

**ROCKY MOUNTAIN INSURANCE  
INFORMATION ASSOCIATION  
– CO, NM, UT & WY**

7951 E. Maplewood Ave., Suite 130  
Greenwood Village, CO 80111  
Tel: 303-790-0216; 800-355-9524  
Fax: 303-790-0433  
Web: <http://www.rmiiia.org>

**Agent Associations**

**PROFESSIONAL INDEPENDENT  
INSURANCE AGENTS OF COLORADO  
& AGENTS SERVICE CORPORATION**

1660 Tower  
1660 S. Albion St., Suite 518  
Denver, CO 80222  
Tel: 303-512-0627  
Fax: 303-512-0575  
Web: <http://www.piiac.com>

## Other Organizations

### **SURPLUS LINE ASSOCIATION OF COLORADO**

(Stamping Office)  
1575 Vine St.  
Denver, CO 80206  
Tel: 303-331-9399  
Fax: 303-331-9006  
Web: <http://www.colosla.org>

## Connecticut

### State Associations

#### **INSURANCE ASSOCIATION OF CONNECTICUT**

21 Oak St., #607  
Hartford, CT 06106-8003  
Tel: 860-547-0610  
Fax: 860-547-0615

#### **THE NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NAIFA – CT)**

15 Chipmunk Lane  
Norwalk, CT 06850  
Tel: 203-866-4700  
Fax: 203-866-1788  
Web: <http://www.naifa-ct.org>

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS OF CONNECTICUT, INC.**

30 Jordan Lane  
Wethersfield, CT 06109  
Tel: 860-563-1950  
Fax: 860-563-6730  
Web: <http://www.iiact.org>

#### **PROFESSIONAL INSURANCE AGENTS OF CONNECTICUT**

See PIA - New York  
(under New York State)

## Delaware

### State Associations

#### **NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (DELAWARE)**

PO Box 1660  
Hockessin, DE 19707  
Tel: 302-234-0665  
Fax: 302-234-0667  
Web: <http://www.naifanet.com/delaware>

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS OF DELAWARE**

240 N. James St., Suite 100A  
Wilmington, DE 19804  
Tel: 302-998-5971  
Fax: 302-998-5973  
Web: <http://www.iiad.org>

## District of Columbia

### State Associations

#### **DISTRICT OF COLUMBIA INSURANCE FEDERATION**

50 F St. NW, Suite 600  
Washington, DC 20001  
Tel: 202-585-1807  
Fax: 202-628-9244  
Web: <http://www.dcif.org>

### Agent Associations

#### **PROFESSIONAL INSURANCE AGENTS OF DC**

See PIA – Virginia  
(under Virginia)

# Florida

## State Associations

### **FLORIDA ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (FAIFA)**

1836 Hermitage Blvd., #200  
Tallahassee, FL 32308-7706  
Tel: 850-422-1701  
Fax: 850-422-2762  
Web: <http://www.faifa.org>

### **FLORIDA INSURANCE COUNCIL**

2888 Remington Green Lane, Suite A  
Tallahassee, FL 32308  
Tel: 850-386-6668  
Fax: 850-386-7371  
Web: <http://www.flains.org>

## Agent Associations

### **FLORIDA ASSOCIATION OF INSURANCE AGENTS**

3159 Shamrock South, PO Box 12129  
Tallahassee, FL 32317-2129  
Tel: 850-893-4155  
Fax: 850-668-2852  
Web: <http://www.faia.com>

### **PROFESSIONAL INSURANCE AGENTS OF FLORIDA, INC.**

1390 Timberlane Road  
Tallahassee, FL 32312  
Tel: 850-893-8245  
Fax: 850-893-8316  
Web: <http://www.piafl.org>

## Other Organizations

### **FLORIDA SURPLUS LINES ASSOCIATION**

PO Box 331444  
Atlantic Beach, FL 32233-1444  
Tel: 904-270-1198  
Fax: 904-270-1198  
Web: <http://www.FloridaSurplusLinesAssociation.com>

# Georgia

## State Associations

### **GEORGIA ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NAIFA – GEORGIA)**

1810 Peachtree Industrial Blvd., #225  
Duluth, GA 30097-8178  
Tel: 770-455-4459  
Fax: 770-455-4469  
Web: <http://www.naifageorgia.org>

### **GEORGIA ASSOCIATION OF PROPERTY/ CASUALTY INSURANCE COMPANIES**

PO Box 1  
Gainesville, GA 30503  
Tel: 770-532-7211  
Fax: 770-532-7361

### **GEORGIA INSURANCE INFORMATION SERVICE**

1225 Johnson Ferry Rd., Suite 330  
Marietta, GA 30068  
Tel: 770-565-3806  
Fax: 770-509-7811  
Web: <http://www.giis.org>

## Agent Associations

### **INDEPENDENT INSURANCE AGENTS OF GEORGIA, INC.**

3186 Chestnut Drive Connector  
Doraville, GA 30340  
Tel: 770-458-0093  
Fax: 770-458-8007  
Web: <http://www.iiag.org>

### **THE PROFESSIONAL INSURANCE AGENTS OF GEORGIA**

3805 Crestwood Parkway, NW, Suite 140  
Duluth, GA 30096  
Tel: 770-921-7585  
Fax: 770-921-7590  
Web: <http://www.piaga.com>

## Hawaii

### State Associations

#### **HAWAII INSURERS COUNCIL**

Suite 2010 Pauahi Tower, 1001 Bishop St.  
Honolulu, HI 96813  
Tel: 808-525-5877  
Fax: 808-525-5879  
Web: <http://www.hawaii-insurers.org>

#### **NAIFA – HAWAII**

516 Kawaihae St., #E  
Honolulu, HI 96825  
Tel: 808-394-3451  
Web: <http://www.naifa.com/local/usa/Hawaii.cfm>

### Agent Associations

#### **HAWAII INDEPENDENT INSURANCE AGENTS ASSOCIATION**

84 N. King St., 2nd Floor  
Honolulu, HI 96817  
Tel: 808-531-3125  
Fax: 808-531-9995

### Other Organizations

#### **HAWAII INSURANCE BUREAU, INC.**

715 South King St., Suite 320  
Honolulu, HI 96813  
Tel: 808-531-2771  
Fax: 808-536-3516  
Web: <http://www.hibinc.com>

## Idaho

### State Associations

#### **IDAHO INSURANCE COUNCIL**

595 South 14th  
Boise, ID 83702  
Tel: 208-342-9326  
Fax: 208-336-2901  
Web: <http://www.iiabi.org>

#### **NAIFA – IDAHO**

7684 Remuda Drive  
Boise, ID 83709  
Tel: 208-362-4953  
Fax: 208-362-3580

#### **NW INSURANCE COUNCIL**

(Serving Idaho, Oregon and Washington)  
101 Elliott Ave. West, Suite 520  
Seattle, WA 98119  
Tel: 503-636-3211  
Web: <http://www.nwinsurance.org>

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS & BROKERS OF IDAHO, INC.**

595 South 14th  
Boise, ID 83702  
Tel: 208-342-9326  
Fax: 208-336-2901  
Web: <http://www.iiabi.org>

#### **PROFESSIONAL INSURANCE AGENTS OF IDAHO**

See PIA - Western Alliance  
(under Washington State)

### Other Organizations

#### **IDAHO SURVEYING & RATING BUREAU, INC.**

5440 Franklin Road, Suite 101  
PO Box 6430  
Boise, ID 83707  
Tel: 208-343-5483  
Fax: 208-343-5485  
Web: <http://www.isrb.com>

#### **SURPLUS LINE ASSOCIATION OF IDAHO, INC.**

(Stamping Office)  
595 South 14th St.  
Boise, ID 83702  
Tel: 208-336-2901  
Fax: 208-336-2901  
Web: <http://www.idahosurplusline.org>

# Illinois

## State Associations

### **ILLINOIS ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (IAIFA)**

60 Adloff Lane  
Springfield, IL 62703-4402  
Tel: 217-529-0126  
Fax: 217-529-0977  
Web: <http://www.naifa-il.com>

### **ILLINOIS ASSOCIATION OF LIFE COMPANIES**

139 East Washington St.  
East Peoria, IL 61611  
Tel: 309-694-3196  
Fax: 309-694-3230

### **ILLINOIS ASSOCIATION OF MUTUAL INSURANCE COMPANIES**

400 Chatham Road, Suite 101A  
PO Box 7083  
Springfield, IL 62791-7083  
Tel: 217-787-8383  
Fax: 217-787-8389  
Web: <http://www.iamic.org>

### **ILLINOIS INSURANCE ASSOCIATION**

Illinois Insurance Hotline  
217 East Monroe St., Suite 110  
Springfield, IL 62701  
Tel: 217-789-1010  
Fax: 217-789-6559  
Web: <http://www.illinoisinsurance.org>

### **ILLINOIS LIFE INSURANCE COUNCIL**

600 South Second, Suite 401  
Springfield, IL 62704  
Tel: 217-544-1637  
Fax: 217-544-6604

## Agent Associations

### **PROFESSIONAL INDEPENDENT INSURANCE AGENTS OF ILLINOIS (PIIAI)**

4360 Wabash Ave.  
Springfield, IL 62711  
Tel: 217-793-6660  
Fax: 217-793-6744  
Web: <http://www.pii.ai.org>

## Other Organizations

### **SURPLUS LINE ASSOCIATION OF ILLINOIS**

(Stamping Office)  
100 S. Wacker Drive, Suite 350  
Chicago, IL 60606  
Tel: 312-263-1993  
Fax: 312-263-1996  
Web: <http://www.slai.org>

# Indiana

## State Associations

### **INDIANA ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (INAIFA)**

3009 East 96th St.  
Indianapolis, IN 46240  
Tel: 317-844-6268  
Fax: 317-844-7659  
Web: <http://www.naifa-indiana.org>

### **INSURANCE INSTITUTE OF INDIANA, INC.**

201 N. Illinois St., Suite 1410  
Indianapolis, IN 46204  
Tel: 317-464-2450  
Fax: 317-464-2460  
Web: <http://www.insuranceinstitute.org>

## Agent Associations

### **INDEPENDENT INSURANCE AGENTS OF INDIANA, INC.**

3435 West 96th St.  
Indianapolis, IN 46268  
Tel: 317-824-3780  
Fax: 317-824-3786  
Web: <http://www.bigi.org>

## Other Organizations

### **ARLINGTON ROE & CO., INC.**

(Managing General Agents/Wholesale Insurance Brokers)  
8900 Keystone Crossing  
PO Box 80803  
Indianapolis, IN 46280  
Tel: 317-554-8550; 800-878-9891  
Fax: 317-554-8551  
Web: <http://www.arlingtonroe.com>

## Iowa

### State Associations

#### **IOWA ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (IAIFA)**

431 East Locust St., Suite 300  
Des Moines, IA 50309-1999  
Tel: 515-243-1436  
Fax: 515-243-2049  
Web: <http://www.iowaiifa.org>

#### **IOWA INSURANCE INSTITUTE**

505 Fifth Ave., Suite 729  
Des Moines, IA 50309  
Tel: 515-283-2147  
Fax: 515-283-1002  
Web: <http://iowains.com>

#### **FEDERATION OF IOWA INSURERS**

317, Sixth Ave., Suite 740  
Des Moines, IA 50309  
Tel: 515-288-8208  
Fax: 515-280-3322  
Web: <http://www.iowafederation.com>

## Agent Associations

### **INDEPENDENT INSURANCE AGENTS OF IOWA**

4000 Westtown Parkway  
West Des Moines, IA 50266  
Tel: 515-223-6060  
Fax: 515-222-0610  
Web: <http://www.iiaiowa.org>

## Kansas

### State Associations

#### **KANSAS ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (KSAIFA)**

825 S. Kansas, Suite 500  
Topeka, KS 66612  
Tel: 785-354-7770  
Fax: 785-233-2206

#### **KANSAS ASSOCIATION OF PROPERTY & CASUALTY INSURANCE COMPANIES**

800 SW Jackson, Suite 900  
Topeka, KS 66612-1259  
Tel: 785-232-0545  
Fax: 785-232-0005

#### **KANSAS LIFE INSURANCE ASSOCIATION**

800 SW Jackson, Suite 900  
Topeka, KS 66612-1259  
Tel: 785-232-0545  
Fax: 785-232-0005

## Agent Associations

### **KANSAS ASSOCIATION OF INSURANCE AGENTS**

815 SW Topeka Blvd.  
Topeka, KS 66612  
Tel: 785-232-0561  
Fax: 785-232-6817  
Web: <http://www.kaia.com>

## Kentucky

### State Associations

#### **INSURANCE INSTITUTE OF KENTUCKY**

910 Dry Ridge Road  
Versailles, KY 40383-1001  
Tel: 859-873-8180  
Fax: 859-873-4764

#### **KENTUCKY ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (KAIFA)**

12808 Townepark Way, Suite 200  
Louisville, KY 40243  
Tel: 502-244-0150  
Fax: 502-244-3111  
Web: <http://www.kaifa.org>

#### **KENTUCKY INSURANCE COUNCIL**

c/o Independent Insurance Agents of Kentucky, Inc.  
PO Box 24339  
Louisville, KY 40224-0339  
Tel: 502-426-0610  
Fax: 502-423-8313  
Web: <http://www.iiak.org>

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS OF KENTUCKY, INC.**

PO Box 24339  
Louisville, KY 40224-0339  
Tel: 502-426-0610  
Fax: 502-423-8313  
Web: <http://www.iiak.org>

#### **PROFESSIONAL INSURANCE AGENTS OF KENTUCKY**

107 Consumer Lane  
Frankfort, KY 40601  
Tel: 502-875-3888  
Fax: 502-227-0839  
Web: <http://www.piaky.org>

### Other Organizations

#### **KENTUCKY SURPLUS LINES ASSOCIATION**

c/o RPS of Lexington  
PO Box 14032  
Lexington, KY 40512  
Tel: 859-245-2500  
Fax: 859-272-9622

## Louisiana

### State Associations

#### **LOUISIANA INSURERS CONFERENCE**

450 Laurel St., Suite 1400  
Baton Rouge, LA 70801  
Tel: 225-343-2776  
Fax: 225-344-1132  
Web: <http://www.lainsconf.org>

#### **LOUISIANA STATE ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (LAIFA)**

5526 Galeria Drive  
Baton Rouge, LA 70816  
Tel: 225-293-5258  
Fax: 225-292-3394  
Web: <http://www.naifalouisiana.org>

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS AND BROKERS OF LOUISIANA, INC.**

9818 Bluebonnet Blvd.  
Baton Rouge, LA 70810  
Tel: 225-819-8007  
Fax: 225-819-8027  
Web: <http://www.iiabl.com>

#### **PROFESSIONAL INSURANCE AGENTS OF LOUISIANA, INC.**

8064 Summa Ave., Suite C  
Baton Rouge, LA 70809  
Tel: 225-766-7770; 800-349-3434  
Fax: 225-766-1601  
Web: <http://www.piaoflouisiana.com>



## Other Organizations

**LOUISIANA SURPLUS LINE ASSOCIATION**

PO Box 446  
 Mandeville, LA 70470-0446  
 Tel: 985-792-4798  
 Fax: 985-792-4796  
 Web: <http://www.lsla.bizland.com>

**PROPERTY INSURANCE ASSOCIATION OF LOUISIANA**

(Independent Rating Bureau)  
 433 Metairie Road, Suite 400  
 Metairie, LA 70005  
 Tel: 504-831-6930  
 Fax: 504-831-2076  
 Web: <http://www.pial.org>

## Maine

## State Associations

**MAINE ASSOCIATION OF INSURANCE COMPANIES**

PO Box 1480  
 Scarborough, ME 04070-1480  
 Tel: 800-456-1819  
 Fax: 207-883-1523

**THE NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NAIFA – MAINE)**

PO Box 2695  
 Bangor, ME 04402  
 Tel: 207-945-4766  
 Fax: 207-941-0241  
 Web: <http://www.naifa-me.org>

## Agent Associations

**MAINE INSURANCE AGENTS ASSOCIATION**

432 Western Ave.  
 Augusta, ME 04330  
 Tel: 207-623-1875  
 Fax: 207-626-0275  
 Web: <http://www.maineagents.com>

## Maryland

## State Associations

**LEAGUE OF LIFE & HEALTH INSURERS OF MARYLAND**

200 Duke of Gloucester St.  
 Annapolis, MD 21401  
 Tel: 410-269-5186  
 Fax: 410-268-0612

## Agent Associations

**INDEPENDENT INSURANCE AGENTS OF MARYLAND, INC.**

2408 Peppermill Drive, Suite A  
 Glen Burnie, MD 21061-3257  
 Tel: 410-766-0600  
 Fax: 410-766-0993  
 Web: <http://www.iiamd.org>

**NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS OF MARYLAND**

9 State Circle, Suite 303  
 Annapolis, MD 21401  
 Tel: 877-304-9934  
 Fax: 443-458-0444  
 Web: <http://www.naifa-maryland.org>

## Massachusetts

## State Associations

**LIFE INSURANCE ASSOCIATION OF MASSACHUSETTS**

501 Boylston St.  
 Boston, MA 02116  
 Tel: 617-375-9200  
 Fax: 617-375-1029

**MASSACHUSETTS INSURANCE FEDERATION, INC.**

Two Center Plaza, 8th Floor  
 Boston, MA 02108  
 Tel: 617-557-5538  
 Fax: 617-557-5675

**NEW HAMPSHIRE ASSOCIATION OF DOMESTIC INSURANCE COMPANIES**

c/o William J. Cahill, Jr.  
The Hanover Insurance Co.  
440 Lincoln St., N430  
Worcester, MA 01653  
Tel: 508-855-3955  
Fax: 508-856-9526

**Agent Associations****MASSACHUSETTS ASSOCIATION OF INSURANCE AGENTS**

137 Pennsylvania Ave.  
Framingham, MA 01701  
Tel: 508-628-5452  
Fax: 508-628-5444  
Web: <http://www.massagent.com>

**ASSOCIATION HEADQUARTERS – NAIFA MASSACHUSETTS & NEW HAMPSHIRE**

PO Box 500  
Hingham, MA 02043  
Tel: 617-266-1919; 800-480-8719 (In state)  
Fax: 617-266-6849  
Web: <http://www.naifamass.org>;  
[www.naifanh.org](http://www.naifanh.org)

**Other Organizations****NEW ENGLAND SURPLUS LINES ASSOCIATION, INC.**

c/o A.I.I. Insurance Brokerage  
183 Davis St.  
East Douglas, MA 01516  
Tel: 508-476-1990  
Fax: 508-476-1991

# Michigan

**State Associations****INSURANCE INSTITUTE OF MICHIGAN**

334 Townsend St.  
Lansing, MI 48933  
Tel: 517-371-2880  
Fax: 517-371-2882  
Web: <http://www.iiminfo.org>

**LIFE INSURANCE ASSOCIATION OF MICHIGAN**

230 N. Washington Square, Suite 306  
Lansing, MI 48933  
Tel: 517-482-7058  
Fax: 517-482-5405

**MICHIGAN ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (MAIFA)**

TRANSAMERICA  
2518 Vero Drive  
Highland, MI 48356  
Tel: 248-889-6162  
Fax: 248-889-6163  
Web: <http://www.maifa.net>

**Agent Associations****MICHIGAN ASSOCIATION OF INSURANCE AGENTS**

1141 Centennial Way  
PO Box 80620  
Lansing, MI 48908-0620  
Tel: 517-323-9473  
Fax: 517-323-1629  
Web: <http://www.michagent.org>

**Other Organizations****MICHIGAN SURPLUS LINES ASSOCIATION**

215 Lakeview  
Crosse Pointe, MI 48236  
Tel: 313-446-9636  
Fax: 313-446-9706

## Minnesota

### State Associations

#### **INSURANCE FEDERATION OF MINNESOTA**

400 Robert St. North, Suite 208  
St. Paul, MN 55101-2015  
Tel: 651-292-1099  
Fax: 651-228-7369  
Web: <http://www.insurancefederation.org>

#### **MINNESOTA ASSOCIATION OF FARM MUTUAL INSURANCE COMPANIES INC. (MAFMIC)**

601 Elm Court East  
PO Box 880  
St. Joseph, MN 56374  
Tel: 320-271-0909  
Fax: 320-277-0912  
Web: <http://www.mafmic.org>

#### **THE NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NAIFA – MINNESOTA)**

1405 North Lilac Drive, Suite 121  
Golden Valley, MN 55422  
Tel: 763-544-8087  
Fax: 763-544-1631  
Web: <http://www.naifa-mn.org>

### Agent Associations

#### **MINNESOTA INDEPENDENT INSURANCE AGENTS**

7500 Flying Cloud Drive, Suite 900  
Eden Prairie, MN 55344  
Tel: 800-864-3846; 952-835-4180  
Fax: 952-835-4774  
Web: <http://www.miaa.org>

## Mississippi

### State Associations

#### **NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NAIFA – MISSISSIPPI)**

PO Box 13649  
Jackson, MS 39236-3649  
Tel: 601-981-1522  
Fax: 601-981-2745  
Web: <http://www.naifams.org>

#### **MISSISSIPPI LIFE COMPANIES ASSOCIATION**

PO Box 78  
Jackson, MS 39205  
Tel: 601-981-5332 x1461  
Fax: 601-321-2931

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS OF MISSISSIPPI**

124 Riverview Drive  
Flowood, MS 39232  
Tel: 601-939-9909; 800-898-0821  
Fax: 601-939-9553  
Web: <http://www.msagent.org>

#### **PROFESSIONAL INSURANCE AGENTS ASSOCIATION OF MISSISSIPPI**

4 River Bend Place, Suite 115  
Jackson, MS 39232  
Tel: 601-936-6474; 800-898-0136  
Fax: 601-936-6477  
Web: <http://www.piams.com>

### Other Organizations

#### **MISSISSIPPI STATE RATING BUREAU**

2685 Crane Ridge Drive  
PO Box 5231  
Jackson, MS 39296-5231  
Tel: 601-981-2915  
Fax: 601-981-2924  
Web: <http://www.msratingbureau.com>

## Missouri

### State Associations

#### **MISSOURI ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (MAIFA)**

PO Box 1729

Jefferson City, MO 65102-1729

Tel: 888-634-5202

Fax: 573-634-5954

Web: <http://www.maifa.com>

#### **MISSOURI INSURANCE COALITION**

220 Madison St., 3rd Floor

Jefferson City, MO 65101

Tel: 573-893-4241

Fax: 573-893-4996

Web: <http://www.moinsurancecoalition.com>

### Agent Associations

#### **MISSOURI ASSOCIATION OF INSURANCE AGENTS**

2701 Industrial Drive

PO Box 1785

Jefferson City, MO 65102

Tel: 573-893-4301

Fax: 573-893-3708

Web: <http://www.missouriagent.org>

## Montana

### State Associations

#### **MONTANA ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (MTAIFA)**

PO Box 2950

Bigfork, MT 59911

Tel: 406-837-7254

Fax: 406-837-7255

Web: <http://www.mtaifa.org>

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS OF MONTANA, INC.**

1200 North Montana Ave., Suite 2

Helena, MT 59601

Tel: 406-442-9555

Fax: 406-442-8263

Web: <http://www.iiamt.org>

#### **PROFESSIONAL INSURANCE AGENTS OF MONTANA**

See PIA - Western Alliance

(under Washington State)

### Other Organizations

#### **MONTANA SURPLUS LINES AGENTS ASSOCIATION**

(Stamping Office)

1200 North Montana Ave., Suite 2

Helena, MT 59601

Tel: 406-443-7324

Fax: 406-442-8263

Web: <http://www.msllaa.org>

## Nebraska

### State Associations

#### **NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS – NEBRASKA (NAIFA – NEBRASKA)**

201 North 8th St., Suite 400

Lincoln, NE 68508-1347

Tel: 402-474-7723

Fax: 402-476-6547

Web: <http://www.naifa-ne.org>

#### **NEBRASKA INSURANCE INFORMATION SERVICE**

PO Box 81529

1220 Lincoln Mall

Lincoln, NE 68501

Tel: 402-434-8364

Fax: 402-434-8302

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS OF NEBRASKA**

8321 B. Northwoods Drive  
Lincoln, NE 68505  
Tel: 402-476-2951  
Fax: 402-476-1586  
Web: <http://www.ian.org>

#### **PROFESSIONAL INSURANCE AGENTS OF NEBRASKA**

920 S. 107th Ave., Suite 305  
Omaha, NE 68114  
Tel: 402-392-1611; 877-717-2074  
Fax: 402-392-2228  
Web: <http://www.pianebraska.com>

## Nevada

### State Associations

#### **NEVADA INSURANCE COUNCIL**

PO Box 30367  
Las Vegas, NV 89173-0367  
Tel: 702-355-9007  
Fax: 702-260-4267  
Web: <http://www.Nevadainsurancecouncil.com>

#### **NEVADA STATE ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NSAIFA)**

1122 Alta Vista Ct.  
Sparks, NV 89434  
Tel: 775-358-9058  
Fax: 775-358-9187  
Web: <http://www.nsaifa.org>

### Agent Associations

#### **NEVADA INDEPENDENT INSURANCE AGENTS**

310 North Stewart St. (89701)  
PO Box 645  
Carson City, NV 89702  
Tel: 775-882-1366  
Fax: 775-883-0524  
Web: <http://www.niia.org>

#### **PROFESSIONAL INSURANCE AGENTS OF NEVADA**

*See PIA - Western Alliance (under Washington State)*

## New Hampshire

### State Associations

#### **NEW HAMPSHIRE ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS**

PO Box 500  
Hingham, MA 02043  
Tel: 617-266-1919  
Fax: 617-266-6849  
Web: <http://www.naifanh.org>

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS & BROKERS OF NEW HAMPSHIRE**

125 Airport Road  
Concord, NH 03301  
Tel: 603-224-3965  
Fax: 603-224-0550  
Web: <http://www.ianh.com>

## New Jersey

### State Associations

#### **INSURANCE COUNCIL OF NEW JERSEY**

820 Bear Tavern Road, Suite 303  
Ewing, NJ 08628-1021  
Tel: 609-882-4400  
Fax: 609-538-1849  
Web: <http://www.icnj.org>

#### **NEW JERSEY ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NJAIFA)**

Princeton Office Gallery  
5 Independence Way – Suite 300  
Princeton, NJ 08540  
Tel: 609-799-3799  
Fax: 609-799-3988  
Web: <http://www.naifanj.com>

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS & BROKERS OF NEW JERSEY INC.**

2211 Whitehorse-Mercerville Road  
PO Box 3230  
Trenton, NJ 08619  
Tel: 609-587-4333  
Fax: 609-587-4515  
Web: <http://www.iiabnj.org>

#### **PROFESSIONAL INSURANCE AGENTS OF NEW JERSEY**

See PIA of New York  
(under New York State)

## New Mexico

### State Associations

#### **NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NAIFA – NEW MEXICO)**

2501 San Pedro NE #114  
Albuquerque, NM 87110  
Tel: 505-888-6763

Fax: 505-888-6163

#### **ROCKY MOUNTAIN INSURANCE INFORMATION ASSOCIATION – NM**

See Rocky Mountain Insurance Information Association of CO, NM, UT & WY

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS OF NEW MEXICO, INC.**

1511 University Blvd., NE  
Albuquerque, NM 87102  
Tel: 505-843-7231  
Fax: 505-243-3367  
Web: <http://www.iiannm.org>

#### **PROFESSIONAL INSURANCE AGENTS OF NEW MEXICO**

See PIA - Western Alliance  
(under Washington State)

## New York

### State Associations

#### **LIFE INSURANCE COUNCIL OF NEW YORK, INC.**

551 Fifth Ave., 29th Floor  
New York, NY 10176-0001  
Tel: 212-986-6181  
Fax: 212-986-6549  
Web: <http://www.licony.org>

#### **NEW YORK INSURANCE ASSOCIATION, INC.**

130 Washington Ave.  
Albany, NY 12210  
Tel: 518-432-4227  
Fax: 518-432-4220  
Web: <http://www.nyia.org>

**THE NEW YORK ALLIANCE AGAINST INSURANCE FRAUD, INC.**

C/O NEW YORK INSURANCE ASSOCIATION, INC.

130 Washington Ave.

Albany, NY 12210

Tel: 518-432-3576

Fax: 518-432-4220

Web: <http://www.preventfraud.org>

**NEW YORK STATE ASSOCIATION OF INSURANCE & FINANCIAL ADVISORS (NYSIFA)**

38 Sheridan Ave.

Albany, NY 12210-2714

Tel: 518-462-5567

Fax: 518-462-5569

Web: <http://www.nysaifa.com>

**Agent Associations****INDEPENDENT INSURANCE AGENTS & BROKERS OF NEW YORK, INC.**

5784 Widewater Parkway, 1st Floor

Dewitt, NY 13214

Tel: 800-962-7950

Fax: 888-432-0510

Web: <http://www.iibny.org>

**PROFESSIONAL INSURANCE AGENTS OF NY, NJ, CT, NH**

25 Chamberlain St.

PO Box 997

Glenmont, NY 12077-0997

Tel: 800-424-4244

Fax: 888-225-6935

Web: <http://www.piaonline.org>

**Other Organizations****EXCESS LINE ASSOCIATION OF NEW YORK**

(Stamping Office)

One Exchange Plaza

55 Broadway, 29th Floor

New York, NY 10006-3728

Tel: 646-292-5500

Web: <http://www.elany.org>

## North Carolina

**State Associations****INSURANCE FEDERATION OF NORTH CAROLINA**

150 Fayetteville St., Suite 2850

Raleigh, NC 27601

Tel: 919-834-9773

Fax: 919-834-9802

**NORTH CAROLINA STATE ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NCAIFA)**

875 Washington St., S-1

Raleigh, NC 27605-3252

Tel: 919-839-5828

Fax: 919-821-5743

Web: <http://www.ncaifa.org>

**No Agent Associations****Other Organizations****NORTH CAROLINA RATE BUREAU**

PO Box 176010

Raleigh, NC 27619-6010

Tel: 919-783-9790

Fax: 919-719-7400

Web: <http://www.ncrb.org>

## North Dakota

**State Associations****NORTH DAKOTA DOMESTIC INSURANCE COMPANIES**

c/o Zuger Kirmis & Smith

316 N. Fifth St., 6th Floor

PO Box 1695

Bismarck, ND 58502-1695

Tel: 701-223-2711

Fax: 701-223-7387

## Agent Associations

### INDEPENDENT INSURANCE AGENTS OF NORTH DAKOTA

Professional Building, 418 East Rosser Ave.  
Bismarck, ND 58501-4085  
Tel: 701-258-4000  
Fax: 701-258-4001

### NORTH DAKOTA ASSOCIATION OF INSURANCE & FINANCIAL ADVISORS (NDAIFA)

PO Box 5010  
Bismarck, ND 58502-5010  
Tel: 701-258-9525  
Fax: 701-222-0103  
Web: <http://www.ndaifa.org>

### PROFESSIONAL INSURANCE AGENTS OF NORTH DAKOTA

Holiday Park Office, Suite 6  
1211 Memorial Highway  
Bismarck, ND 58504  
Tel: 701-223-5025  
Fax: 701-223-9456

## Ohio

### State Associations

#### ASSOCIATION OF OHIO LIFE INSURANCE COMPANIES

c/o Bricker & Eckler, LLC  
100 South 3rd St.  
Columbus, OH 43215-4291  
Tel: 614-227-8892  
Fax: 614-227-2390  
Web: <http://www.aolic.com>

#### THE NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS – OHIO

17 South High St., Suite 200  
Columbus, OH 43215-3413  
Tel: 614-228-4539  
Fax: 614-221-1989  
Web: <http://www.naifaohio.org>

### OHIO INSURANCE INSTITUTE

172 East State St., Suite 201  
Columbus, OH 43215-4321  
Tel: 614-228-1593  
Fax: 614-228-1678  
Web: <http://www.ohioinsurance.org>

## Agent Associations

### THE INDEPENDENT INSURANCE AGENTS ASSOCIATION OF OHIO, INC.

1330 Dublin Road  
PO Box 758, Columbus, OH 43216  
Tel: 614-464-3100; 800-282-4424  
Fax: 614-486-9797  
Web: <http://www.ohiobigi.com>

### PROFESSIONAL INSURANCE AGENTS ASSOCIATION OF OHIO, INC.

600 Cross Pointe Road  
Gahanna, OH 43230  
Tel: 614-552-8000; 800-555-1742  
Fax: 614-552-0115  
Web: <http://www.ohiopia.com>

## Oklahoma

### State Associations

#### ASSOCIATION OF OKLAHOMA LIFE INSURANCE COMPANIES

c/o Kerr, Irvine, Rhodes & Ables  
201 Robert S. Kerr, #600  
Oklahoma City, OK 73102  
Tel: 405-272-9221  
Fax: 405-236-3121  
Web: <http://www.aables@kiralaw.com>

#### OKLAHOMA ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (OKAIFA)

6051 N. Brookline, Suite 124  
Oklahoma City, OK 73112  
Tel: 405-810-1989; 800-491-8190  
Fax: 405-810-1799  
Web: <http://www.okaifa.org>



**SOUTHWESTERN INSURANCE  
INFORMATION SERVICE (SIIS)**

See SIIS  
(under Texas)

**Agent Associations****INDEPENDENT INSURANCE  
AGENTS OF OKLAHOMA**

PO Box 18428  
Oklahoma City, OK 73154  
Tel: 405-840-4426  
Fax: 405-840-4450  
Web: <http://www.iaok.com>

**Oregon****State Associations****NW INSURANCE COUNCIL**

(Serving Idaho, Oregon and Washington)  
101 Elliott Ave. West, Suite 520  
Seattle, WA 98119  
Tel: 503-636-3211  
Web: <http://www.nwinsurance.org>

**NAIFA – OREGON**

PO Box 2148  
Beaverton, OR 97075-2148  
Tel: 503-718-0094  
Fax: 503-681-2015  
Web: <http://www.oraifa.org>

**Agent Associations****INDEPENDENT INSURANCE AGENTS  
& BROKERS OF OREGON**

5100 SW Macadam, Suite 350  
Portland, OR 97201  
Tel: 503-274-4000  
Fax: 503-274-0062  
Web: <http://www.iiabo.org>

**PROFESSIONAL INSURANCE  
AGENTS OF OREGON**

See PIA - Western Alliance  
(under Washington State)

**Pennsylvania****State Associations****INSURANCE FEDERATION  
OF PENNSYLVANIA**

1600 Market St., Suite 1520  
Philadelphia, PA 19103  
Tel: 215-665-0500  
Fax: 215-665-0540  
Web: <http://www.ifpenn.org>

**NAIFA – PENNSYLVANIA**

777 East Park Drive, Suite 300  
Harrisburg, PA 17111  
Tel: 717-234-2523; 800-552-7258  
Fax: 717-234-5190  
Web: <http://www.naifa-pa.org>

**PENNSYLVANIA ASSOCIATION OF MUTUAL  
INSURANCE COMPANIES (PAMIC)**

1017 Mumma Road, Suite 103  
Wormleysburg, PA 17043  
Tel: 717-303-0197  
Fax: 717-303-1501  
Web: <http://www.pamic.org>

**Agent Associations****INSURANCE AGENTS & BROKERS**

5050 Ritter Road  
PO Box 2023  
Mechanicsburg, PA 17055-0763  
Tel: 717-795-9100  
Fax: 717-795-8347  
Web: <http://www.iabgroup.com>

**Other Organizations****PENNSYLVANIA SURPLUS  
LINES ASSOCIATION**

211 Welsh Pool Road, Suite 200  
Exton, PA 19341  
Tel: 610-594-1340; 888-209-3230 (in state)  
Fax: 610-594-7623  
Web: <http://www.pasla.org>

## Puerto Rico

### Agent Associations

#### **PROFESSIONAL INSURANCE AGENTS OF PUERTO RICO & THE CARIBBEAN, INC.**

PO Box 192389  
 San Juan, PR 00919-2389  
 Tel: 787-792-7849  
 Fax: 787-792-4745  
 Web: <http://www.piaofpr.com>

## Rhode Island

### No State Associations

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS OF RHODE ISLAND**

2400 Post Road  
 Warwick, RI 02886  
 Tel: 401-732-2400  
 Fax: 401-732-1708  
 Web: <http://www.iiari.com>

#### **RIAIFA – RHODE ISLAND ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS**

1643 Warwick Ave., PMB 128  
 Warwick, RI 02889  
 Tel: 401-739-2977  
 Fax: 401-739-7784  
 Web: <http://www.riaifa.org>

## South Carolina

### State Associations

#### **SOUTH CAROLINA INSURANCE NEWS SERVICE**

1301 Gervais St., Suite 715  
 Columbia, SC 29201  
 Tel: 803-252-3455  
 Fax: 803-779-0189  
 Web: <http://www.scinsnews.com>

#### **THE ASSOCIATION OF SOUTH CAROLINA PROPERTY/CASUALTY INSURANCE COMPANIES**

c/o State Auto Insurance Companies  
 PO Box 199  
 Greer, SC 29652  
 Tel: 864-877-3311  
 Fax: 864-879-4025  
 Web: <http://www.state-auto-ins.com>

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS & BROKERS OF SOUTH CAROLINA**

PO Box 210008  
 800 Gracern Road  
 Columbia, SC 29221  
 Tel: 803-731-9460  
 Fax: 803-772-6425  
 Web: <http://www.iiabsc.com>

## South Dakota

### State Associations

#### **THE NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS – SOUTH DAKOTA (NAIFA – SOUTH DAKOTA)**

PO Box 877  
 Pierre, SD 57501  
 Tel: 605-945-3200  
 Fax: 605-945-4222  
 Web: <http://www.naifanet.com/southdakota>

### Agent Associations

#### **SOUTH DAKOTA ASSOCIATION OF INSURANCE AGENTS**

PO Box 327  
 316 S. Coteau St., Suite 101  
 Pierre, SD 57501  
 Tel: 605-224-6234  
 Fax: 605-224-6235  
 Web: <http://www.iiasd.org>

## Tennessee

### State Associations

#### **NAIFA – TENNESSEE**

1442 Georgetown Lane  
 Murfreesboro, TN 37129  
 Tel: 615-599-4159; 888-276-4159  
 Fax: 615-790-8817  
 Web: <http://www.naifa-tennessee.org>

### Agent Associations

#### **INSURORS OF TENNESSEE**

2500 Hillsboro Road, Suite 200  
 Nashville, TN 37212  
 Tel: 615-385-1898  
 Fax: 615-385-9303  
 Web: <http://www.insurors.org>

#### **PROFESSIONAL INSURANCE AGENTS OF TENNESSEE, INC.**

504 Autumn Springs Court, Suite A-2  
 Franklin, TN 37067  
 Tel: 615-771-1177  
 Fax: 615-771-3456  
 Web: <http://www.piatn.com>

## Texas

### State Associations

#### **ASSOCIATION OF FIRE & CASUALTY COMPANIES OF TEXAS**

PO Box 15  
 Austin, TX 78767-0015  
 Tel: 512-444-9611  
 Fax: 512-444-0734  
 Web: <http://www.insurancecouncil.org>

#### **INSURANCE COUNCIL OF TEXAS**

2801 South Interregional Highway  
 PO Box 15  
 Austin, TX 78767-0015  
 Tel: 512-444-9611  
 Fax: 512-444-0734  
 Web: <http://www.insurancecouncil.org>

#### **SOUTHWESTERN INSURANCE INFORMATION SERVICE (SIIS)**

8303 North Mopac, Suite B-231  
 Austin, TX 78759  
 Tel: 512-795-8214  
 Fax: 512-795-2323  
 Web: <http://www.siisinfo.org>

#### **TEXAS ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (TAIFA)**

1920 South IH-35  
 Austin, TX 78704  
 Tel: 512-443-6157  
 Fax: 512-443-0141  
 Web: <http://www.taifa.org>

#### **TEXAS ASSOCIATION OF INSURANCE OFFICIALS**

PO Box 1409  
 Austin, TX 78767-1409  
 Tel: 512-476-6955  
 Fax: 512-476-1825

#### **TEXAS ASSOCIATION OF LIFE & HEALTH INSURERS**

720 Brazos St., Suite 1006  
 Austin, TX 78701  
 Tel: 512-472-6886  
 Fax: 512-476-2870  
 Web: <http://www.talhi.com>

#### **TEXAS COALITION FOR AFFORDABLE INSURANCE SOLUTIONS**

500 West 13th St.  
 Austin, TX 78701  
 Tel: 512-477-7382  
 Fax: 512-477-6240  
 Web: <http://www.tcais.org>

## Agent Associations

### INDEPENDENT INSURANCE AGENTS OF TEXAS

1115 San Jacinto, Suite 100  
PO Box 684487  
Austin, TX 78768-4487  
Tel: 512-476-6281  
Fax: 512-469-9512  
Web: <http://www.iiat.org>

### TEXAS INSURANCE PROFESSIONALS

PIA NATIONAL AFFILIATE  
PO Box 90908  
Austin, TX 78709-0908  
Tel: 800-829-9838  
Fax: 512-301-0265  
Web: <http://www.piatx.org>

## Other Organizations

### SURPLUS LINES STAMPING OFFICE OF TEXAS

805 Las Cimas Parkway, Suite 150  
Austin, TX 78746  
Tel: 512-346-3274  
Fax: 512-346-3422  
Web: <http://www.slsot.org>

### TEXAS SURPLUS LINES ASSOCIATION, INC.

9020-I Capital of Texas Highway North  
Suite 370  
Austin, TX 78759  
Tel: 512-343-9058  
Fax: 512-343-2896  
Web: <http://www.tsla.org>

## Utah

### State Associations

#### ROCKY MOUNTAIN INSURANCE INFORMATION ASSOCIATION – UT

See Rocky Mountain Insurance Information Association  
(under Colorado)

## Agent Associations

### THE UTAH ASSOCIATION OF INDEPENDENT INSURANCE AGENTS

4885 South 900 East, Suite 302  
Salt Lake City, UT 84117  
Tel: 801-269-1200  
Fax: 801-269-1265  
Web: <http://www.uaiaa.org>

## Other Organizations

### SURPLUS LINE ASSOCIATION OF UTAH

(Stamping Office)  
6711 South 1300 East  
Salt Lake City, UT 84121  
Tel: 801-944-0114  
Fax: 801-944-0116  
Web: <http://www.slaut.org>

## Vermont

### State Associations

#### NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (NAIFA – VERMONT)

PO Box 542  
237 Commerce Ave., Suite 203C  
Williston, VT 05495  
Tel: 802-862-3466  
Fax: 802-862-3466  
Web: <http://www.naifanet.com/vermont>

#### VERMONT ASSOCIATION OF DOMESTIC PROPERTY & CASUALTY INSURANCE COMPANIES

c/o Vermont Mutual Insurance Company  
89 State St.  
Montpelier, VT 05602  
Tel: 802-229-7604  
Fax: 802-229-7647

## Agent Associations

### **VERMONT INSURANCE AGENTS ASSOCIATION, INC.**

PO Box 1387  
47½ Court St.  
Montpelier, VT 05602  
Tel: 802-229-5884  
Fax: 802-223-0868  
Web: <http://www.viaa.org>

## Virginia

### State Associations

#### **GREATER WASHINGTON DISTRICT OF COLUMBIA ASSOCIATION OF INSURANCE & FINANCIAL ADVISORS**

PO Box 5153  
Arlington, VA 22205  
Tel: 703-532-8778

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS OF VIRGINIA, INC.**

8600 Mayland Drive  
Richmond, VA 23294  
Tel: 804-747-9300; 800-288-4428  
Fax: 804-747-6557  
Web: <http://www.iiav.com>

#### **METROPOLITAN WASHINGTON ASSOCIATION OF INDEPENDENT INSURANCE AGENTS**

PO Box 25346  
Alexandria, VA 22313-5346  
Tel: 703-706-5446  
Fax: 703-706-5444

#### **NAIFA GREATER WASHINGTON, DC**

PO Box 5153  
Arlington, VA 22205  
Tel: 703-532-8778  
Web: <http://naifa-gwdc.org>

#### **PROFESSIONAL INSURANCE AGENTS ASSOCIATION OF VIRGINIA & DC**

8092 Villa Park Drive  
Richmond, VA 23228  
Tel: 804-264-2582  
Fax: 804-266-1075  
Web: <http://www.piavadc.com>

#### **VIRGINIA ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS**

3108 N. Parham Road, Suite 100A  
Richmond, VA 23294-4415  
Tel: 804-747-6020  
Fax: 804-965-0823  
Web: <http://www.naifanet.com/virginia>

### Other Organizations

#### **VIRGINIA SURPLUS LINES ASSOCIATION**

8417 Patterson Ave.  
Richmond, VA 23229  
Tel: 804-741-7999  
Fax: 804-741-9401

## Washington State

### State Associations

#### **NW INSURANCE COUNCIL**

101 Elliott Ave. West, Suite 520  
Seattle, WA 98119  
Tel: 206-624-3330; 800-664-4942  
Fax: 206-624-1975  
Web: <http://www.nwinsurance.org>

### Agent Associations

#### **INDEPENDENT INSURANCE AGENTS AND BROKERS OF WASHINGTON**

15015 Main St., Suite 205 (98007)  
PO Box 6459  
Bellevue, WA 98008  
Tel: 425-649-0102  
Fax: 425-649-8573  
Web: <http://www.wainsurance.org>

**PIA – WESTERN ALLIANCE**

3205 NE 78th St., Suite 104  
 Vancouver, WA 98665  
 Tel: 888-246-4466  
 Fax: 888-346-4466  
 Web: <http://www.piawest.com>

**Other Organizations****WASHINGTON INSURANCE EXAMINING BUREAU, INC.**

200 1st Ave. West, Suite 500  
 Seattle, WA 98119-4219  
 Tel: 206-217-9432  
 Fax: 206-217-9329

**WASHINGTON SURVEYING & RATING BUREAU**

200 1st Ave. West, Suite 500  
 Seattle, WA 98119-4219  
 Tel: 206-217-9772  
 Fax: 206-217-9329  
 Web: <http://www.wsrb.com>

**SURPLUS LINE ASSOCIATION OF WASHINGTON**

(Stamping Office)  
 600 University St., Suite 1710  
 Seattle, WA 98101  
 Tel: 206-682-3409  
 Fax: 206-623-3326

**West Virginia****State Associations****WEST VIRGINIA ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS (WVAIFA)**

2003 Quarrier St.  
 Charleston, WV 25311  
 Tel: 304-342-7904  
 Fax: 304-344-5316

**WEST VIRGINIA INSURANCE FEDERATION**

300 Kanawha Blvd., East  
 PO Box 273  
 Charleston, WV 25321-0273  
 Tel: 304-340-3880  
 Fax: 304-340-3801

**Agent Associations****PROFESSIONAL INDEPENDENT INSURANCE AGENTS OF WEST VIRGINIA, INC.**

PO Box 1226  
 179 Summers St. at Lee, Suite 321  
 Charleston, WV 25301  
 Tel: 304-342-2440  
 Fax: 304-344-4492  
 Web: <http://www.piiawv.org>

**Other Organizations****WEST VIRGINIA SURPLUS LINES ASSOCIATION**

PO Box 367  
 Fairmont, WV 26555  
 Tel: 304-366-2200  
 Fax: 304-363-1705

**Wisconsin****State Associations****COMMUNITY INSURANCE INFORMATION CENTER**

700 W. Michigan St., Suite 350  
 Milwaukee, WI 53233-2470  
 Tel: 414-291-5360  
 Fax: 414-291-5370  
 Web: <http://www.insuranceinfo-ciic.org>

**NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS – WISCONSIN**

2702 International Lane, Suite 207

Madison, WI 53704

Tel: 608-244-3131

Fax: 608-244-0476

Web: <http://wisconsin.naifa.org>

**WISCONSIN INSURANCE ALLIANCE**

44 East Mifflin St., Suite 201

Madison, WI 53703-2800

Tel: 608-255-1749

Fax: 608-255-2178

Web: <http://www.wisinsal.org>

**Agent Associations**

**INDEPENDENT INSURANCE AGENTS OF WISCONSIN**

725 John Nolen Drive

Madison, WI 53713

Tel: 608-256-4429

Fax: 608-256-0170

Web: <http://www.iiaw.com>

**PROFESSIONAL INSURANCE AGENTS OF WISCONSIN, INC.**

6401 Odana Road

Madison, WI 53719

Tel: 608-274-8188

Fax: 608-274-8195

Web: <http://www.piaaw.org>

# Wyoming

**State Associations**

**ROCKY MOUNTAIN INSURANCE INFORMATION ASSOCIATION – WY**

See Rocky Mountain Insurance Information Association

(under Colorado)

**Agent Associations**

**ASSOCIATION OF WYOMING INSURANCE AGENTS**

PO Box 799

Sundance, WY 82729-0799

Tel: 307-283-2052

Fax: 775-796-3122

Web: <http://www.awia.com>

**NAIFA – WYOMING**

PO Box 2548

Cody, WY 82414

Tel: 307-527-6204

Fax: 307-527-6802

Web: <http://www.naifanet.com/wyoming>



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Brief  
History

<b>YEAR</b>	<b>EVENT</b>
1601	First insurance legislation in the United Kingdom was enacted. Modern insurance has its roots in this law, which concerned coverage for merchandise and ships.
1666	Great Fire of London demonstrated destructive power of fire in an urban environment, leading entrepreneur Nicholas Barbon to form a business to repair houses damaged by fire.
1684	Participants in the Friendly Society in England formed a mutual insurance company to cover fire losses.
1688	Edward Lloyd's coffee house, the precursor of Lloyd's of London, became the central meeting place for ship owners seeking insurance for a voyage.
1696	Hand in Hand mutual fire company was formed. Aviva, the world's oldest continuously operating insurance company, traces its origins to this company.
1710	Charles Povey formed the Sun, the oldest insurance company in existence which still conducts business in its own name. It is the forerunner of the Royal & Sun Alliance Group.
1735	The Friendly Society, the first insurance company in the United States, was established in Charleston, South Carolina. This mutual insurance company went out of business in 1740.
1752	The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, the oldest insurance carrier in continuous operation in the United States, was established.
1759	Presbyterian Ministers Fund, the first life insurance company in the United States, was founded.
1762	Equitable Life Assurance Society, the world's oldest mutual life insurer, was formed in England.
1776	Charleston Insurance Company and the South Carolina Insurance Company, the first two United States marine insurance companies, were formed in South Carolina.
1779	Lloyd's of London introduced the first uniform ocean marine policy.

**BRIEF HISTORY**

<b>YEAR</b>	<b>EVENT</b>
1792	Insurance Company of North America, the first stock insurance company in the United States, was established.
1813	Eagle Fire Insurance Company of New York assumed all outstanding risks of the Union Insurance Company, in the first recorded fire reinsurance agreement in the United States.
1849	New York passed the first general insurance law in the United States.
1850	Franklin Health Assurance Company of Massachusetts offered the first accident and health insurance.
1851	New Hampshire created the first formal agency to regulate insurance in the United States.
1861	First war-risk insurance policies were issued, written by life insurance companies during the Civil War.
1866	National Board of Fire Underwriters was formed in New York City, marking the beginning of insurance rate standardization.
	Hartford Steam Boiler Inspection and Insurance Company, the first boiler insurance company, was established in Hartford, Connecticut.
1873	The Massachusetts Legislature adopted the first standard fire insurance policy.
1878	Fidelity and Casualty Company of New York began providing fidelity and surety bonds.
1885	Liability protection was first offered with the introduction of employers liability policies.
1890	First policies providing benefits for disabilities from specific diseases were offered.
1894	National Board of Fire Underwriters established Underwriters' Laboratories to investigate and test electrical materials to ensure they meet fire safety standards.
1898	Travelers Insurance Company issued the first automobile insurance policy in the United States.
1899	First pedestrian killed by an automobile, in New York City.
1910	New York passed the first United States workers compensation law. It was later found to be unconstitutional.
1911	Wisconsin enacted the first permanent workers compensation law in the United States.
1912	Lloyd's of London introduced aviation insurance coverage.
1925	Massachusetts passed the first compulsory automobile insurance legislation.
	Connecticut passed the first financial responsibility law for motorists.
1938	Federal Crop Insurance Act created the first federal crop insurance program.
1945	McCarran-Ferguson Act (Public Law 15) was enacted. It provided the insurance industry with a limited exemption to federal antitrust law, assuring the pre-eminence of state regulation of the industry.

YEAR	EVENT
1947	New York established the Motor Vehicle Liability Security Fund to cover auto insurance company insolvencies. This organization was a precursor of the state guaranty funds established by insurers in all states to absorb the claims of insolvent insurers.
1950	First package insurance policies for homeowners coverage were introduced.
1960	Boston Plan was established to address insurance availability problems in urban areas in Boston.
1968	First state-run Fair Access to Insurance Requirements (FAIR) Plans were set up to ensure property insurance availability in high-risk areas.
	The federal flood insurance program was established with the passage of the National Flood Insurance Act. It enabled property owners in communities that participate in flood reduction programs to purchase insurance against flood losses.
1971	Massachusetts became the first state to establish a true no-fault automobile insurance plan.
1981	Federal Risk Retention Act of 1981 was enacted. The law fostered the growth of risk retention groups and other nontraditional insurance mechanisms.
	The Illinois Legislature created the Illinois Insurance Exchange, a cooperative effort of individual brokers and risk bearers operating as a single market, similar to Lloyd's of London.
1985	Mission Insurance Group failed. The insolvency incurred the largest payout by state guaranty funds for a single property/casualty insurance company failure at that time. This and other insolvencies in the 1980s led to stricter state regulation of insurer solvency.
	Montana became the first state to forbid discrimination by sex in the setting of insurance rates.
1992	European Union's Third Nonlife Insurance Directive became effective, establishing a single European market for insurance.
1996	Florida enacted rules requiring insurers to offer separate deductibles for hurricane losses, marking a shift to hurricane deductibles based on a percentage of loss rather than a set dollar figure.
1997	World Trade Organization agreement to dismantle barriers to trade in financial services, including insurance, banking and securities, was signed by the United States and some 100 other countries.
1998	Travelers became first insurer to sell auto insurance on the Internet.
1999	Financial Services Modernization Act (Gramm-Leach-Bliley) enacted, allowing insurers, banks and securities firms to affiliate under a financial holding company structure.
2001	Terrorist attacks upon the World Trade Center in New York City and the Pentagon in Washington, DC caused about \$40 billion in insured losses.
2002	Terrorism Risk Insurance Act enacted to provide a federal backstop for terrorism insurance losses.
2003	In a landmark ruling, upheld in 2004, the U.S. Supreme Court placed limits on punitive damages, holding in <i>State Farm v. Campbell</i> that punitive damages awards should generally not exceed nine times compensatory awards.

## BRIEF HISTORY

YEAR	EVENT
2004	New York Attorney General Eliot Spitzer and a number of state regulators launched investigations into insurance industry sales and accounting practices.
2005	Citigroup sold off its Travelers life insurance unit, following the spin-off of its property/casualty business in 2002. This dissolved the arrangement that led to the passage of Gramm-Leach-Bliley in 1999.
	The federal Class Action Fairness Act moved most class-action lawsuits to federal courts, offering the prospect of lower defense costs and fewer and less costly verdicts.
	A string of hurricanes, including Hurricane Katrina, hit the Gulf Coast, making 2005 the costliest year on record in terms of insured losses.
2006	Massachusetts became the first state to pass a universal health insurance law.
	Congress passed legislation extending the Terrorism Risk Insurance Act to December 2007. The act, originally passed in 2002 to provide a federal backstop for terrorism insurance losses, had been set to expire at the end of 2005.



I.I.I.  
Resources

In addition to the Insurance Handbook for Reporters, the Insurance Information Institute produces a number of online and print publications. To order, call 212-346-5500 or email [publications@iii.org](mailto:publications@iii.org).

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Unique and comprehensive guide with more than 350 graphs and charts on insurance, banking, securities and on financial services as a whole. Published jointly with The Financial Services Roundtable.

Online version available at [www.financialservicesfacts.org](http://www.financialservicesfacts.org)

**A FIRM FOUNDATION: HOW INSURANCE SUPPORTS THE ECONOMY**

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**INTERNATIONAL INSURANCE FACT BOOK**

Facts and statistics on the property/casualty and life insurance industries of dozens of countries. No print edition. Available in CD ROM format.

Online version available at [www.internationalinsurance.org](http://www.internationalinsurance.org)



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**I.I.I. INSURANCE DAILY**

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**BASIC CONCEPTS OF ACCOUNTING AND TAXATION OF PROPERTY/CASUALTY INSURANCE COMPANIES**

Basic principles behind the statutory accounting system used by property/casualty insurers and of the federal taxation of insurance companies.

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Semi-annual magazine that highlights the insurance industry's contributions to community development.

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Various brochures offering helpful advice on types of insurance, such as auto and home, and aspects of insurance, such as settling a claim.

A full list of brochures is posted on the I.I.I. Web site at [www.iii.org/media/publications/](http://www.iii.org/media/publications/)

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Thousands of Web sites presently use I.I.I. content on their pages or link to I.I.I. Web sites. Some of the following content is available as automated content feeds:

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The latest insurance-related news, studies and issues papers.

### Facts & Statistics

The latest insurance industry facts and statistics.

### Latest Studies

The latest insurance industry reports and studies.

### Know Your Stuff

An easy-to-use free home inventory program that can be downloaded by consumers.

### My Financial House

An easy-to-use free financial inventory program that can be downloaded by consumers.

### Disaster Insurance Information

Web site posting information on major disasters within the United States.

Online at [www.disasterinformation.org](http://www.disasterinformation.org)

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Allianz of America, Inc.	<a href="http://www.allianz.com">www.allianz.com</a>
Allstate Insurance Group	<a href="http://www.allstate.com">www.allstate.com</a>
American Agricultural Insurance Company	<a href="http://www.aaic.com">www.aaic.com</a>
American International Group, Inc.	<a href="http://www.aig.com">www.aig.com</a>
Atlantic Mutual Companies	<a href="http://www.atlanticmutual.com">www.atlanticmutual.com</a>
Auto Club South Insurance Company	<a href="http://www.aaasouth.com">www.aaasouth.com</a>
Beazley Group plc	<a href="http://www.beazley.com">www.beazley.com</a>
Bituminous Insurance Companies	<a href="http://www.bituminousinsurance.com">www.bituminousinsurance.com</a>
Chubb Group of Insurance Companies	<a href="http://www.chubb.com">www.chubb.com</a>
Church Mutual Insurance Company	<a href="http://www.churchmutual.com">www.churchmutual.com</a>
CNA	<a href="http://www.cna.com">www.cna.com</a>
CUMIS Insurance Society, Inc. (Cuna Mutual)	<a href="http://www.cunamutual.com">www.cunamutual.com</a>
De Smet Farm Mutual Insurance Company of South Dakota	<a href="http://www.desmetfarmmutual.com">www.desmetfarmmutual.com</a>
Dryden Mutual Insurance Company	<a href="http://www.drydenmutual.com/">www.drydenmutual.com/</a>
Erie Insurance Group	<a href="http://www.erieinsurance.com">www.erieinsurance.com</a>
Farmers Group, Inc.	<a href="http://www.farmers.com">www.farmers.com</a>
GEICO	<a href="http://www.geico.com">www.geico.com</a>
Gen Re	<a href="http://www.genre.com">www.genre.com</a>
Germania Insurance	<a href="http://www.germania-ins.com">www.germania-ins.com</a>
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The Hanover Insurance Group Inc.	<a href="http://www.hanover.com">www.hanover.com</a>
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The Hartford Financial Services Group	<a href="http://www.thehartford.com">www.thehartford.com</a>
Holyoke Mutual Insurance Company	<a href="http://www.holyokemutual.com">www.holyokemutual.com</a>
James River Group, Inc.	<a href="http://www.james-river-group.com">www.james-river-group.com</a>
Liberty Mutual Group	<a href="http://www.libertymutual.com">www.libertymutual.com</a>
Lloyd's	<a href="http://www.lloyds.com">www.lloyds.com</a>
Marsh Inc.	<a href="http://www.marsh.com">www.marsh.com</a>
MetLife Auto & Home	<a href="http://www.metlife.com">www.metlife.com</a>
Millville Mutual Insurance Company	<a href="http://www.millvillemutual.com">www.millvillemutual.com</a>
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Swiss Reinsurance America Corporation	<a href="http://www.swissre.com">www.swissre.com</a>
TIAA-CREF	<a href="http://www.tiaa-cref.com">www.tiaa-cref.com</a>
The Tokio Marine and Fire Insurance Co., Ltd.	
The Travelers Companies, Inc.	<a href="http://www.travelers.com/">www.travelers.com/</a>
Unitrin Property and Casualty Insurance Group	<a href="http://www.unitrin.com">www.unitrin.com</a>
USAA	<a href="http://www.usaa.com">www.usaa.com</a>
Utica National Insurance Group	<a href="http://www.uticanational.com">www.uticanational.com</a>
West Bend Mutual Insurance Company	<a href="http://www.wbmi.com">www.wbmi.com</a>
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