

NIOSH Construction Insurance Webinar

Webinar 3: How are construction projects insured -Part 2: Mid-sized Projects

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GLOSSARY OF TERMS

Deductible Plan: An insurance plan in which the insured is responsible for reimbursing the insurer for claims up to a certain dollar amount and the insurer is responsible for paying claims in excess of the deductible amount.

Guaranteed Cost: Pure or traditional insurance in the sense that the policy holder pays the premium and the insurer is responsible for paying losses incurred for incidents during the policy period.

Indemnification: To indemnify another party is to compensate that party for loss or damage that has already occurred, or to guarantee through a contractual agreement to repay another party for loss or damage that occurs in the future.

Loss of Consortium: A lawsuit typically filed by an injured employee's spouse for loss of services of his or her spouse who was injured in the course of employment.

Retrospectively Rated Plan: A retrospective rating plan can be defined as a rating plan “in which the final premium is based on the insured's actual loss experience during the policy term, subject to a minimum and maximum premium, with the final premium determined by a formula which is guaranteed in the insurance contract.”