

The Insurance Terms Cheatsheet

Clear, no-fuss definitions for anyone managing Certificates of Insurance (COIs). No insurance background required.

Common Insurance Coverages:

General Liability	Covers basic business risks — like someone slipping and falling at your office or a product causing harm.
Auto Liability	Covers damages or injuries caused by vehicles used for business
Property Liability	Protects against damage to physical property (like buildings or equipment) that a business owns or rents.
Workers' Compensation & Employers' Liability	Covers medical bills and lost wages if an employee gets hurt on the job. It's listed as: Workers Compensation and Employers Liability on a COI.
Umbrella Liability	Extra protection that kicks in when other policies (like General Liability or Auto) hit their limits. Think of it as backup coverage.

Common Terms that Cause Confusion:

Additional Insured	Adds all required parties to the third party's policy, so everyone involved has coverage if something goes wrong.
Primary & Non-Contributory	The third party's insurance pays first, avoiding confusion or overlap with other policies.
Waiver of Subrogation	Prevents the third party's insurer from seeking repayment from others after a claim is paid.

Niche Coverages You Might Run Into

Professional Liability (Errors & Omissions)	Protects service-based businesses from claims of negligence, mistakes, or bad advice that cause financial harm.
Pollution Liability	Covers environmental damage such as spills, leaks, or mold, especially relevant in construction or manufacturing.
Cyber Liability	Covers costs related to data breaches, hacking, or cyberattacks.
Aviation Liability	Covers aircraft-related incidents — sometimes required for drone use.
Drone Insurance	Specifically covers drone accidents, property damage, or injury caused during commercial use.
Inland Marine	Covers tools, equipment, or materials while they're in transit or stored offsite, not just at your main location.
Franchisee Additional Insured	Adds a franchise location or owner as an additional insured — often required in franchise agreements.