Insurance Jargon

Money

The words on every policy, defined plainly.

Terms common to almost every kind of policy.

Term	Means
Premium	What you pay
Excess / deductible	What you pay per claim
Sum insured	The maximum payout
Exclusion	What is not covered
Policy wording	The binding document
Underwriting	How your risk is priced
No-claims discount	Reduction for a claim-free record
Indemnity	Restoring you to your prior position

New-for-old replaces at today's price; indemnity deducts for wear. The difference can be most of the claim.