

# INSURANCE DEFINITIONS

Insurance Term	Definition
<b>Alternate Employer Endorsement</b>	An endorsement to a Workers' Compensation policy that provides an entity scheduled as an alternate employer with primary workers' compensation and employer's liability coverage as if it were an insured in the policy.
<b>Auto Liability</b>	Coverage for bodily injury or property damage to others incurred by operation of an owned or used motor vehicle.
<b>Auto Physical Damage</b>	Coverage for damage to the owned or used vehicle.
<b>Claims Made</b>	A policy that will provide coverage for a loss that is reported while the policy is in effect (as long as the loss occurs after the Retroactive Date). Once a Claims Made policy is allowed to expire, all coverage for prior losses ceases.
<b>Commercial General Liability (CGL)</b>	Coverage for claims for damages due to bodily injury or personal injury to any person or for damages to tangible property of others. University should always be included as an Additional Insured for CGL.
<b>Corporal Punishment Coverage</b>	Coverage for the policy holder against allegations of corporal punishment (deliberate infliction of pain as retribution for an offense, or for the purpose of disciplining or reforming a wrongdoer, or to deter attitudes or behavior deemed unacceptable) to registered student(s), even when groundless, false, or frivolous.
<b>Crime Coverage</b>	Coverage for loss of money, securities, or inventory resulting from crime such as employee dishonesty, embezzlement, forgery, robbery, safe burglary, computer fraud, wire transfer fraud, counterfeiting and other criminal acts.
<b>Cyber Liability (Please see Page 5.)</b>	
<b>Directors' &amp; Officers' Errors &amp; Omissions (D&amp;O)</b>	A form of E&O insurance paid on the behalf of directors and officers of a company (or paid for the company itself) to cover damages or defense costs in the event they are sued as individuals for an alleged Wrongful Act related to their organizational activities while they were with that company.
<b>Educational Service Provider (ESP)</b>	An ESP (a.k.a. Management Firm) is a firm hired by a PSA/SDA/UHS/SOE to manage the general operation of the PSA/SDA/UHS/SOE, including the hiring of its employees. In some cases, the PSA/SDA/UHS/SOE may obtain its employees via lease from the ESP.
<b>Employer's Liability Insurance</b>	Coverage for claims and damages due to bodily injury, occupational sickness, or disease or death of an employee when WC may not be an exclusive remedy.
<b>Employment Practices Liability (EPL)</b>	A form of broad insurance coverage that indemnifies the insured for any liability resulting from actual or alleged wrongful termination, sexual harassment, discrimination, or other employment-related claims made against the employer by employees, former employees, or potential employees. Depending on the policy, Employment Practices Liability Insurance can provide coverage for the PSA/SDA/UHS/SOE, its directors and officers, all employees, former employees, volunteers, temporary employees, applicants for employment, partners (professional firms), independent contractors, or outsourced employees.
<b>Errors &amp; Omissions (E&amp;O)</b>	A general term for liability insurance designed to indemnify the insured for an alleged wrongful act because of an error or oversight in conducting the insured's business.
<b>First Named Insured</b>	The person or entity listed first on the policy declarations page as an insured. This primary or first named insured is granted certain rights and responsibilities that do not apply to the policy's other named insureds.
<b>Occurrence Form</b>	With an "occurrence" based policy, even though the policy may have expired, provided the policy was in force at the time that the bodily injury or property damage <b>occurred</b> , a claim can still be made against it.

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<b>Primary &amp; Non-Contributory Coverage</b>	Stipulates the order in which multiple policies triggered by the same loss are to respond. For example, a PSA/SDA/UHS/SOE is required to provide liability insurance that is primary and non-contributory to the University that is named as an additional insured. This means the PSA/SDA/UHS/SOE must pay before other applicable policies (primary) and without seeking contribution from other policies that also claim to be primary (non-contributory).
<b>Professional Liability Insurance</b>	Coverage for claims for damages arising out of an error, omission, or negligent act in the performance of professional services.
<b>Retroactive Date</b>	A provision found in many Claims Made policies that eliminates coverage for injuries or damage that occurred prior to the specified Retroactive Date even if the claim is first made during the policy period.
<b>School Leaders' Errors &amp; Omissions</b>	A Claims Made E&O coverage that indemnifies school entities, school boards, employees, student teachers and volunteers for school-related losses that are due to an error in oversight. Such claims could include alleged or actual breach of duty, neglect, errors, misstatements, misleading statements or omissions, including failure to educate.
<b>Security/Police Professional Liability</b>	Provides liability coverage for police officers and police departments, in conjunction with acts, errors, and omissions while performing their professional duties. Coverage includes such perils as false arrest and civil rights violations.
<b>Sexual Abuse &amp; Molestation Coverage</b>	Coverage for the policy holder against allegations of sexual misconduct or molestation to registered student(s).
<b>Statutory Limits (Workers' Compensation)</b>	The minimum amount of Workers' Compensation coverage that is allowed by law.
<b>Tail Coverage</b>	A special liability insurance endorsement that can be purchased to extend a claims made policy beyond the end of the policy period.
<b>Umbrella or Excess Liability</b>	Additional coverage limits higher than (above) the limits of the primary General Liability and Auto policy limits to protect against catastrophic loss. Excess policies sometimes contain exclusions, so should be checked to ensure coverage is at least as broad as primary coverages.
<b>Workers' Compensation (WC)</b>	Coverage for claims under Michigan's WC Act or similar employee benefit act of any other state applicable to an employee. University should not be included as Additional Insured for WC coverage.
<b>Wrongful Act</b>	any error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by a director or officer, individually or otherwise, in his/her capacity as a director or officer of the