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.

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 for them.

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 for which it is difficult for someone to get insurance.

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