

VALUED POLICY

A policy under which the insurer pays a specified amount of money to or on behalf of the insured upon the occurrence of a defined loss. The money amount is not related to the extent of the loss. Life insurance policies are an example.

VANDALISM

The malicious and often random destruction or spoilage of another person's property.

VARIABLE ANNUITY

An annuity whose contract value or income payments vary according to the performance of the stocks, bonds and other investments selected by the contract owner.

VARIABLE LIFE INSURANCE

A policy that combines protection against premature death with a savings account that can be invested in stocks, bonds, and money market mutual funds at the policyholder's discretion.

VIATICAL SETTLEMENT COMPANIES

Insurance firms that buy life insurance policies at a steep discount from policyholders who are often terminally ill and need the payment for medications or treatments. The companies provide early payouts to the policyholder, assume the premium payments, and collect the face value of the policy upon the policyholder's death.

VOID

A policy contract that for some reason specified in the policy becomes free of all legal effect. One example under which a policy could be voided is when information a policyholder provided is proven untrue.

VOLATILITY

A measure of the degree of fluctuation in a stock's price. Volatility is exemplified by large, frequent price swings up and down.

VOLCANO COVERAGE

Most homeowners policies cover damage from a volcanic eruption.

VOLUME

Number of shares a stock trades either per day or per week.