

TERM CERTAIN ANNUITY

An form of annuity that pays out over a fixed period rather than when the annuitant dies.

TERM INSURANCE

A form of life insurance that covers the insured person for a certain period of time, the "term" that is specified in the policy. It pays a benefit to a designated beneficiary only when the insured dies within that specified period which can be one, five, 10 or even 20 years. Term life policies are renewable but premiums increase with age.

TERRITORIAL RATING

A method of classifying risks by geographic location to set a fair price for coverage. The location of the insured may have a considerable impact on the cost of losses. The chance of an accident or theft is much higher in an urban area than in a rural one, for example.

TERRORISM COVERAGE

Included as a part of the package in standard commercial insurance policies before September 11, 2001 virtually free of charge. Since September 11, terrorism coverage prices have increased substantially to reflect the current risk.

THIRD-PARTY ADMINISTRATOR

Outside group that performs clerical functions for an insurance company.

THIRD-PARTY COVERAGE

Liability coverage purchased by the policyholder as a protection against possible lawsuits filed by a third party. The insured and the insurer are the first and second parties to the insurance contract.

TIME DEPOSIT

Funds that are held in a savings account for a predetermined period of time at a set interest rate. Banks can refuse to allow withdrawals from these accounts until the period has expired or assess a penalty for early withdrawals.

TITLE INSURANCE

Insurance that indemnifies the owner of real estate in the event that his or her clear ownership of property is challenged by the discovery of faults in the title.

TORT

A legal term denoting a wrongful act resulting in injury or damage on which a civil court action, or legal proceeding, may be based.

TORT LAW

The body of law governing negligence, intentional interference, and other wrongful acts for which civil action can be brought, except for breach of contract, which is covered by contract law.

TORT REFORM

Refers to legislation designed to reduce liability costs through limits on various kinds of damages and through modification of liability rules.

TOTAL LOSS

The condition of an automobile or other property when damage is so extensive that repair costs would exceed the value of the vehicle or property.

TRANSPARENCY

A term used to explain the way information on financial matters, such as financial reports and actions of companies or markets, are communicated so that they are easily understood and frank.

TRAVEL INSURANCE

Insurance to cover problems associated with traveling, generally including trip cancellation due to illness, lost luggage and other incidents.

TREASURY SECURITIES

Interest-bearing obligations of the U.S. government issued by the Treasury as a means of borrowing money to meet government expenditures not covered by tax revenues. Marketable Treasury securities fall into three

categories — bills, notes and bonds. Marketable Treasury obligations are currently issued in book entry form only; that is, the purchaser receives a statement, rather than an engraved certificate.

TREATY REINSURANCE

A standing agreement between insurers and reinsurers. Under a treaty each party automatically accepts specific percentages of the insurer's business.