

Е.А. Москвина

INTRODUCTION TO INSURANCE

**Учебные материалы по английскому языку
для специальности «Страховое дело»**

Федеральное агентство по образованию
ГОУ ВПО «Удмуртский государственный университет»
Факультет профессионального иностранного языка
Кафедра профессионального иностранного языка №2

Е.А. Москвина

INTRODUCTION TO INSURANCE

Учебные материалы по английскому языку
для специальности «Страховое дело»

Ижевск
2008

УДК 811.111(075)
ББК 81.432.1- 923
М 822

М 822 Москвина Е.А.
Introduction to Insurance: пособие по чтению для
специальности «Страховое дело». Ижевск, 2008. 70 с.

Пособие рекомендовано для студентов специальности
«Страховое дело».

Пособие состоит из 16 разделов, каждый раздел включает
в себя тексты для чтения, упражнения на понимание текста и
усвоение профессиональной лексики, повторение и усвоение
определенных грамматических структур.

УДК 811.111(075)
ББК 81.432.1- 923

С Факультет профессионального иностранного языка, 2008

Предисловие Дорогие друзья!

В настоящее время значительно увеличился интерес к изучению английского языка. Формы преподавания иностранных языков видоизменяются. Открываются различные курсы, колледжи, классы обучения английскому языку. Многие пытаются изучать иностранные языки самостоятельно, взяв за основу определенный традиционный или современный аудио/ видео курс.

Программой по английскому языку для неязыковых специальностей вузов, техникумов, колледжей предусматривается формирование не только устной «непрофессиональной», но и устной «профессиональной» речи.

В связи с увеличением внешних связей, развитием новых технологий возникает потребность в открытии новых специальностей. Специальность «Страховое дело» является одной из новых, вследствие чего недостаточно оснащена учебно-методической литературой.

Данное учебное пособие предназначается для студентов 2 курса колледжа, обучающихся по специальности «Страховое дело», имеющих хорошее знание английского языка в объеме программы средней школы, а также может быть использовано для самостоятельного изучения. В пособии представлены тексты на английском языке по темам «История страхования», «Классификация и виды страхования», «Возмещение убытков», «Случаи отказа в страховом покрытии», «Виды страховых компаний», и др.

Пособие включает 16 разделов. Каждый раздел состоит из текстов для чтения, упражнений на понимание прочитанного, вопросов для обсуждения, заданий на усвоение лексических единиц, также предлагаются

упражнения и пояснения по употреблению определенных грамматических структур.

Пособие может оказать помощь студентам и преподавателям не только в усвоении основных понятий и терминов страхового дела на английском языке, но и по закреплению базовых знаний учебной дисциплины «Страховое дело».

Contents:

Предисловие.....	3
Unit 1. The origins of insurance. Part 1.....	6
Part 2.....	9
Unit 2. Principles of insurance.....	12
Unit 3. Indemnification.....	16
Unit 4. Risk Limiting Features.....	19
Unit 5. Insurer's business model.....	22
Unit 6. Gambling analogy.....	25
Unit 7. Types of insurance. Part 1.....	29
Part 2.....	33
Unit 8. Life Insurance Policy.....	37
Unit 9. Liability insurance.....	41
Unit 10. Automobile insurance.....	44
Unit 11. Property insurance.....	49
Unit 12. Types of insurance companies.....	53
Unit 13. Financial viability of insurance companies.....	57
Unit 14. Redlining.....	59
Unit 15. Insurance Sales Agents.....	62
Unit 16. Employment.....	64
Vocabulary. Check yourself.....	68
Bibliography.....	72

Unit 1
The origins of insurance
Part 1

Insurance, in law and economics, is a form of risk management. It is used to insure against the risk of a contingent loss. Insurance is defined as the equitable transfer of the risk of a potential loss, from one entity to another, in exchange for a premium. *Insurer*, in economics, is the company that sells insurance. *Insurance rate* is a factor used to determine the amount, called the premium, to be charged for a certain amount of insurance coverage. Risk management, the practice of appraising and controlling risk, has evolved as an independent field of study and practice.

The origins of insurance lie so far back in the history of civilization that they haven't been identified. While it is easy to find remains of buildings, works of art and other survivals of past civilizations, it is hard to establish exactly how the earliest town dwellers organized the service activities of their economy.

When the harvest fails, or the city is under siege, the authorities can release the stored food and the city's population is kept alive. Thus the idea of common fund (in this case, of food) became established in the human consciousness.

Early methods of transferring or distributing risk were practiced by Chinese and Babylonian traders in the 3rd and 2nd millennia BC. Chinese merchants traveling along rapid river streams redistributed their goods across many ships and limited the loss if any ship failed the trip. If a merchant received a loan to fund his shipment, he would pay the lender an additional sum in exchange for the lender's guarantee to cancel the loan if the shipment is stolen.

In the late fifteenth century, the ideas of risk and a common fund came together. If a small fleet of small ships manages to get from Europe to (say) Indonesia, trade there and return with cargoes of exotic commodities, there is a risk that

some of the ships will not complete the round trip because of storms, mis-navigation, crew's diseases, etc. Two ways were found of meeting this need. One way was the creation of a joint stock venture, under which a group of investors by investing in a group of ships with a shared cargo divided between themselves the risk of loss and shared any profit. The other way was insurance, a system under which the owner of a ship and a cargo offered a cash sum to other people in exchange for their promise to indemnify him if a ship fails to complete a trip. In this way, joint stock and insurance became complementary to each other.

Toward the end of the seventeenth century, London's growing importance as a center for trade increased demand for marine insurance. In the late 1680s, Mr. Edward Lloyd opened a coffee house that became a popular haunt of ship owners, merchants, and ships' captains, and a reliable source of the latest shipping news. It became the meeting place for parties wishing to insure cargoes and ships, and those willing to underwrite such ventures. Today, Lloyd's of London remains the leading market (note that it is not an insurance company) for marine and other special types of insurance, but it works rather differently than the more familiar kinds of insurance.

In some sense we can say that insurance appeared simultaneously with the appearance of human society.

I. Active vocabulary of the unit:

risk management – управление риском;

to insure against - страховать (себя) от возможных потерь;

contingent loss– возможная, случайная; непредвиденная потеря;

equitable transfer - объективная передача;

premium - страховая премия, страховой взнос;

insurer - страховая компания, страховое общество, страховщик (организация, осуществляющая страховую деятельность);

insurance rate - страховая оценка;

insurance coverage - общая сумма рисков по договору страхования;

to evolve – развиваться;

to receive a loan – получить ссуду;

to cancel a loan - погасить ссуду;

a group of investors – группа инвесторов;

to share profit – делить прибыль;

a cash sum – наличные;

joint stock venture - акционерный капитал на случай риска;

reliable source – надежный источник;

to underwrite a venture – подписать соглашение.

II. Answer the questions:

1. What is insurance in law and economics?
2. Have the origins of insurance been identified?
3. When did the idea of common fund become established in the human consciousness?
4. Who were the early methods of transferring or distributing risk practiced by?
5. What happened in the late 15th century?

III. Grammar. Conditional sentences (II type).

a) Translate.

If a merchant received a loan to fund his shipment, he would pay the lender an additional sum...

b) Open the brackets.

1. They would be rather offended if I ... (not/go) to see them.
2. If you took more exercise, you ... (feel) better.
3. If I was offered the job, I ... (take) it.

4. If I sold my car, I ... (not/get) much money for it.
5. A lot of people would be out of work if the factory ... (close down).
6. What would happen if I ... (press) that red button.
7. I'm sure Sue ... (understand) if you explained the situation to her.
8. If I knew his number, I ... (would) phone him.
9. I wouldn't buy that coat if I were you.
10. We would need a car if we ... (live) in the country.

Part 2

We know two types of economies in human societies: *money economies* (with markets, money, financial instruments and so on) and *non-money or natural economies* (without money, markets, financial instruments and so on). The second type is a more ancient form than the first. In such an economy and community, we can see insurance in the form of people helping each other. For example, if a house burns down, the members of the community help build a new one. Should the same thing happen to one's neighbour, the other neighbours must help. Otherwise, neighbours will not receive help in the future. This type of insurance has survived to the present day in some countries where modern money economy with its financial instruments is not widespread.

Some businessmen recognized that many members of the public didn't wish to take such big risks and invited them to buy shares in insurance companies. The companies employed specialist people to underwrite risks, and if the risk occurred the company would pay indemnity to the insured out of the common fund.

The primary field for company insurance in the early days was fire insurance.

As we know it today fire insurance can be traced to the Great Fire of London, which in 1666 devoured 13,200 houses.

After this disaster, Nicholas Barbon opened an office to insure buildings. In 1680, he established England's first fire insurance company, "The Fire Office," to insure brick and frame homes.

The first insurance company in the United States underwrote fire insurance and was formed in Charles Town (modern-day Charleston), South Carolina, in 1732.

Benjamin Franklin helped to popularize the practice of insurance, particularly against fire in the form of perpetual insurance. In 1752, he founded the Philadelphia Contributionship for the Insurance of Houses from Loss by Fire. Franklin's company was the first to make contributions toward fire prevention. But it refused to insure certain buildings where the risk of fire was too great, such as all wooden houses.

In parallel with fire insurance, life assurance funds came into existence. Of course, in the context of material existence a human life is of infinite value. For this reason, life assurance contracts are for a specified sum.

The Greeks and Romans introduced the origins of health and life insurance in 600 AD when they organized guilds called "benevolent societies" which cared for the families and paid funeral expenses of members upon death. Before insurance was established in the late 17th century, "Benevolent societies" existed in England, in which people donated amounts of money to a general sum that could be used for emergencies.

I. Active vocabulary of the unit:

to buy shares – покупать акции;

insurance company – страховая компания;

to employ – нанимать/брать на работу;

to pay indemnity – возмещать убытки;

the insured – страхователь;

common fund – общий фонд;

fire insurance – страхование от огня;

perpetual insurance – бессрочная страховка;

to make contributions - делать вклады;
life assurance – страхование жизни;
to be of infinite value – быть бесценным;
to donate money – делать денежные пожертвования.

II. Exercises:

1. Look up the pronunciation of the following words:

Ancient; neighbour; South Carolina; Philadelphia; Greek; Roman; England.

2. Answer the questions:

1. What are the types of economies in human societies?
2. What was the primary field for company insurance in the early days?
3. What do you know about the Great Fire of London?
4. Where was the first insurance company formed?
5. What insurances are considered to be the first for human society?

III. Grammar: Word-forming suffixes.

Find in the text adjectives formed with the help of basic word-forming suffixes; define the nouns they were formed from:

- ent
- able
- al
- ous
- ed
- ing
- ic
- ary

IV. Read the text and answer the questions.

1. Why did the fire spread so quickly?
2. Where did the people go to get away from the fire?
3. How did London change after the fire?

The Great Fire of London

The summer of 1666 was very hot and dry in London. On a Sunday in September a great fire broke out in the city. It began late at night in a street not far from London Bridge. The monument now stands on the spot to remind people of the terrible flames.

A hot east wind was blowing and the fire spread quickly. Most of the houses in London were made of wood. The better houses had brick or stone foundations only. The fire burnt for five days and nothing could stop it. There were no fire brigades at that time. The flames made nights as light as day for ten miles around London. The people left their burning houses and went to the fields across the Thames. They put up tents and lived there.

Thirteen thousand houses were destroyed and many people were left homeless. But the fire did the great good, it burned dirty narrow streets where the plague ruled a year ago, wide streets and brick houses appeared in London after the Great Fire. Sir Christopher Wren, the famous architect, took part in rebuilding the city. St. Paul's Cathedral, where the architect is buried, was built by him.

a spot – место;

to remind – напоминать;

a flame – пламя;

brick – кирпич;

to destroy – разрушать;

to do great good – принести большую пользу;

to appear – появляться;

the plague – чума.

Unit 2

Principles of insurance

Commercially insurable risks typically share seven common characteristics.

1) *A large number of homogeneous exposure units.* The vast majority of insurance policies are provided for individual members of very large classes. Automobile insurance, for example, covered about 175 million automobiles in the United States in 2004. The existence of a large number of homogeneous exposure units allows insurers to benefit from the so-called “law of large numbers.” There are exceptions to this criterion. For instance, Lloyds of London is famous for insuring the life or health of actors, actresses and sports figures. Satellite Launch insurance covers events that are infrequent. Large commercial property policies may insure exceptional properties for which there are no ‘homogeneous’ exposure units.

2) *Definite Loss.* The event that gives rise to the insurable loss should take place at a known time, in a known place, and from a known cause. The classic example is death of an insured on a life insurance policy. Fire, automobile accidents, and worker injuries may all meet this criterion. Other types of losses may be definite in theory. Occupational disease, for instance, may involve prolonged exposure to injurious conditions where no specific time, place or cause is identifiable. Ideally, the time, place and cause of a loss should be clear so that a reasonable person, with sufficient information, could verify all three elements.

3) *Accidental Loss.* The event that constitutes the trigger of a claim should be fortuitous, or outside the control of the beneficiary of the insurance. The loss should be ‘pure,’ in the sense that it results from an event for which there is only the opportunity for cost. Events that contain speculative elements, such as ordinary business risks, are not considered insurable.

4) *Large Loss.* The size of the loss must be meaningful from the perspective of the insured. Insurance premiums need to cover both the expected cost of losses, plus the cost of issuing and administering the policy, adjusting losses, and supplying the capital needed to reasonably assure that the

insurer will be able to pay claims. For small losses these latter costs may be several times the size of the expected cost of losses.

5) *Affordable Premium*. If the likelihood of an insured event is so high, or the cost of the event is so large, it is not likely that anyone will buy insurance, even if on offer. As the accounting profession formally recognizes that the premium cannot be so large that there is not a reasonable chance of a significant loss to the insurer. If there is no such chance of loss, the transaction may have the form of insurance, but not the substance.

6) *Calculable Loss*. There are two elements that must be at least estimable, if not calculable: the probability of loss, and the attendant cost. Probability of loss is generally great, while cost has more to do with the ability of a reasonable person in possession of a copy of the insurance policy and a proof of loss associated with a claim presented under that policy. Only then he will make a reasonably definite and objective evaluation of the amount of the loss recoverable as a result of the claim.

7) *Limited risk of catastrophically large losses*. The essential risk is often aggregation. If the same event can cause losses to numerous policyholders of the same insurer, the ability of that insurer to issue policies becomes constrained. The classic example is earthquake insurance, where the ability of an underwriter to issue a new policy depends on the number and size of the policies that it has already underwritten. Wind insurance in hurricane zones, particularly along coast lines, is another example of this phenomenon.

I. Active vocabulary of the unit:

homogeneous exposure units - однородные страховые случаи;

insurance policy - страховой полис;

to benefit - извлекать выгоду;

law of large numbers – закон больших цифр;
infrequent – нечастый;
occupational disease - профессиональное заболевание;
a reasonable person – заинтересованное лицо;
to verify - проверять;
the trigger of a claim – главная причина заявления;
beneficiary - лицо, получающее страховую премию/
пособие;
from the perspective of the insured – с точки зрения
страхователя;
to pay claims – оплатить расходы по заявлению;
affordable premium - допустимая страховая премия;
expected cost of losses - ожидаемая сумма потерь;
evaluation - оценка;
policyholder - держатель страхового полиса.

II. Exercises:

1. Look up the pronunciation of the following words:

Homogeneous; exposure; verify; fortuitous; significant.

2. Find Russian equivalents in the text:

From the perspective of the insured; the trigger of a claim;
aggregation; reinsurance market.

3. Answer the questions:

1. What does the existence of a large number of homogeneous exposure units allow its insurers?
2. What are the exceptions?
3. What examples of definite loss do you know?
4. Will the insured get profit if the loss contains speculative elements?
5. Do insurance premiums need to cover the expected cost of losses or the cost of issuing and administering the policy or adjusting losses?
6. How can the probability of loss, and the attendant cost be described?

7. What is the example of catastrophically large losses?

III. Grammar: Modal verbs.

Explain the usage of modal verbs *can, may, must, to be able to, should, need* in the text.

Unit 3

Indemnification

In non life insurance the term indemnity (indemnification) means putting the insured in the same financial position as it would have been the same if the risk had not occurred. The purpose is to restore the situation.

Insurance provides indemnification against loss or liability from specified events and circumstances that may occur or be discovered during a specified period.

One dictionary definition of the word 'indemnity' is "the protection or security against damage or loss of security against legal responsibility".

In practice it is very difficult to calculate a loss scientifically when dealing with damaged goods and insurers try to pay a fair sum for the damage caused.

Generally, an insurance contract includes, at a minimum, the following elements: the parties (the insurer, the insured, the beneficiaries), the premium, the period of coverage, the particular loss event covered, the amount of coverage (i.e., the amount to be paid to the insured or beneficiary in the event of a loss), and exceptions (events not covered). An insured is thus said to be "indemnified" against the loss events covered in the policy.

When insured parties experience a loss for a specified peril, the coverage entitles the policyholder to make a 'claim' against the insurer for the covered amount of loss as specified by the policy. The fee paid by the insured to the insurer for assuming the risk is called the 'premium'. Insurance premiums

from many insureds are used to fund accounts reserved for later payment of claims—in theory for a relatively few claimants—and for overhead costs. So long as an insurer maintains adequate funds set aside for anticipated losses (i.e., reserves), the remaining margin is an insurer's profit.

The concept of indemnity is more difficult to apply when dealing with personal accident and sickness or life assurance. What is the value of an arm or a leg? What is the value of life? Insurers will accept insurance on life or for fatal accidents without limit. The real limit is the ability to pay the insurance premium whatever value is placed on life or limbs. If you value your life at *one million pounds* then, unless you are a pop star, you will probably be unable to pay the premium. In effect the doctrine of indemnity does not apply to life assurance which are 'benefit' policies.

I. Active vocabulary of the unit;

indemnification - возмещение, компенсация;

specified peril – точно установленная опасность, угроза;

to entitle - давать право;

fee – плата за страховку;

claimant – получающий страховку;

overhead costs - накладные расходы;

fund - фонд, капитал;

anticipated losses – предвиденные потери;

margin - разница; преимущество.

II. Exercises:

1. Find Russian equivalents:

To restore the situation: insurance contract; the amount of coverage; to make a 'claim'; premium; profit; to deal with; life assurance; 'benefit' policies.

2. Answer the questions:

1. What does indemnity mean?
2. What is the purpose of indemnification?
3. What does insurance provide indemnification against?
4. What does an insurance contract include?
5. When is the policyholder entitled to make a 'claim' against the insurer?
6. What is premium?
7. What does the amount of premium depend on in case of life assurance?

III. Grammar: Participle II (Past Participle)

The letters	received (получаемые) by the Peace Community daily	come from different organizations and individuals.
The letters	received (полученные) today	must be answered immediately.

Note 1. Past Participle переводится на русский язык причастием страдательного залога настоящего или прошедшего времени.

Ex.1 Change the following sentences using Participle II.

1. The things, which are left behind by passengers, are taken to the Lost Property Office.
2. The audience, who were greatly impressed by the acting, repeatedly called the actors.
3. The new job, which has been offered to me, seems more interesting.
4. I could hardly recognize the street which was reconstructed while I was away.
5. The exploration work, which is carried on in this region, is of great importance for science.
6. Food which is served in this restaurant is usually very good.

Note 2. Past Participle образует особый оборот с глаголами to have, to get, который употребляется для выражения действия, совершаемого не подлежащим предложения, а каким – либо другим лицом.

Compare:

I had (got) my watch fixed. Мне починили часы (кто-то другой)	I fixed ma watch. Я починил часы (я сам)
--	--

Ex.2 Practice sentences from the following table. Translate each sentence into Russian.

Bill	Got	Their things	Washed.
Richard	Will get	His suit	Made.
Rebecca	Had	Her dress	Carried by
The Browns	Don't like	The car	the porter.
The	To have	Her clothes	Pressed
passenger(s)	Is (are)	Their photos	(ironed).
The tourist(s)	having	His shoes	Taken.
	Couldn't		Polished.
	have		Fixed

Unit 4

Risk Limiting Features

An insurance policy should not contain provisions that allow one side or the other to void the contract in exchange for benefit. Provisions that void the contract for failure to perform or for fraud or material misrepresentation are ordinary and acceptable.

The policy should have a term of not more than about three years. This is not a hard and fast rule. Contracts of over five years duration are classified as 'long-term,' which can impact the accounting treatment and introduce the possibility that during the entire term of the contract, no actual risk will transfer. The coverage provided by the contract need not cease

at the end of the term (e.g., the contract can cover occurrences as opposed to claims made or claims paid).

The contract should include any other agreements, written or oral, that confer rights, create obligations, or create benefits on the part or both parties. Ideally, the contract should contain an 'Entire Agreement' clause where there are no undisclosed written or oral side agreements that confer rights, create obligations, or create benefits of one part or both parties. If such rights, obligations or benefits exist, they must be factored into the tests of reasonableness and significance.

The contract should not contain arbitrary limitations on timing of payments. Provisions that assure both parties of time are acceptable if they are commercially reasonable and usual.

Provisions that definitely create actual or notional accounts, which get actual or notional interest, suggest that the contract contains, in fact, a deposit.

Provisions for additional or return premium do not render a contract.

All of the events that would give rise to claims under the contract cannot have materialized prior to the inception of the contract. If this "all events" test is not met, then the contract is considered to be a retroactive contract, for which the accounting treatment becomes complex.

I. Active vocabulary of the unit:

provisions - условия договора;

unilaterally – односторонне;

to void - делать недействительным, уничтожать, аннулировать;

misrepresentation - искажение, неправильное представление;

term - срок, определенный период; длительность, продолжительность;

to impact - сильно воздействовать;

to cease - переставать (делать что-л), прекращать(ся);
 opposed - противоположный (чему-л., кому-л. - to);
 to confer rights – давать права;
 clause - статья, пункт, условие; параграф, пункт; оговорка.
 arbitrary - произвольный, случайный;
 customary - обычный, привычный;
 definitely – точно, определенно;
 limitations – ограничения;
 payments - выплаты.

II. Exercises:

1. Give Russian equivalents for:

In exchange for; fraud; entire term of the contract; confer rights; obligations; give rise to claims; inception of the contract; retroactive contract.

2. Answer the questions:

1. What provisions should an insurance policy contain?
2. What is the acceptable term of a contract?
3. How are contracts of over five years duration classified?
4. What agreements should be included in the contract?
5. Are there any arbitrary limitations on timing of payments?
6. What do provisions that create actual or notional accounts suggest?
7. When is the contract considered to be a retroactive contract?

III. Grammar:

Make adjectives and verbs from these nouns with the help of the dictionary.

noun	verb	adjective
provision		
performance		

classification treatment coverage occurrence agreement obligation significance limitations		
---	--	--

Unit 5

Insurer's business model

Insurers make money in two ways: (1) through underwriting, the process by which insurers select the risks to insure and decide how much in premiums to charge for accepting those risks and (2) by investing the premiums they collect from insureds.

The most difficult aspect of the insurance business is underwriting of policies. Using a wide assortment of data, insurers predict the likelihood what claims will be made against their policies and price products. Insurers use actuarial science to quantify the risks they want to assume and the premium they will charge to assume them. Data is analyzed to project the rate of future claims based on a given risk. Actuarial science uses statistics and probability to analyze the risks and perils covered in the risk. These scientific principles are used to determine an insurer's overall exposure. Of course, from the insurer's perspective, some policies are winners and some are losers.

An insurer's underwriting performance is measured in its combined ratio. The loss ratio is added to the expense ratio to determine the company's combined ratio. The combined ratio is a reflection of the company's overall underwriting profitability. A combined ratio of less than 100 percent indicates profitability, while anything over 100 indicates a loss.

Insurance companies also earn investment profits on “float”. “Float” or available reserve is the amount of money, at hand at any given moment, which an insurer has collected in insurance premiums but has not been paid out in claims. Insurers start investing insurance premiums as soon as they are collected and continue to earn interest on them until claims are paid out.

Some insurance industry insiders do not believe that it is possible to sustain a profit from float without an underwriting profit, but this opinion is not universally held. Naturally, the “float” method is difficult to carry out in an economically depressed period. Bear markets cause insurers to shift away from investments and to toughen up their underwriting standards. So a poor economy generally means high insurance premiums. This tendency to swing between profitable and unprofitable periods over time is commonly known as the “underwriting” or “insurance” cycle.

Finally, claims and loss handling is the materialized utility of insurance. In managing the claims-handling function, insurers seek to balance the elements of customer satisfaction, administrative handling expenses, and claims overpayment leakages. As part of this balancing act, insurance fraud is a major business risk that must be managed and overcome.

I. Active Vocabulary of the unit:

to incur - следовать из;

data - данные, факты, сведения; информация;

actuary - статистик страхового общества, актуарий;

to quantify - определять количество, измерять, мерить;

to assume – принимать;

overall - полный, общий, от начала до конца;

thereon - после того, вслед за тем;

ratio - отношение, пропорция; коэффициент, соотношение;

on float - на плаву;

to sustain - поддерживать (морально и материально);
Bear market - рынок с понижательной тенденцией, рынок, на котором наблюдается тенденция к снижению курсов (акций);
to toughen up – укреплять, делать сильнее;
utility – полезность, выгодность;
leakages – утечка (информации).

II. Exercises:

1. Look up the pronunciation:

Incurred, through, accepting, quantify, toughen up, auto insurance.

2. Answer the questions:

1. What is profit in insurer's business model?
2. How do insurers make money?
3. What aspect of the insurance business is the most difficult? Why?
4. How is an insurer's underwriting performance measured?
5. When does it indicate profitability or loss?
6. What does profit on "float" mean? Is it always carried out by insurers?
7. How do Bear markets influence insurers?
8. When can insurance become a major business risk?

III. Grammar. Infinitive.

Инфинитив – неличная форма глагола, формальным признаком которой является частица to.

Чаще всего инфинитив употребляется после глагола в личной форме или модального глагола (чаще без частицы to после can, may, must, should, needn't).

Инфинитив в предложении может быть подлежащим, частью составного сказуемого, дополнением, определением, обстоятельством.

1. Определите форму и функцию инфинитива в предложении.

1. He can't help you.
2. My son likes to read books.
3. I wanted to answer the letter but then I forgot.
4. The captain was the last man to leave the ship.
5. It is necessary for you to know the truth.
6. To save the child he rushed into the burning house.
7. As he was late he had to excuse himself.
8. She went to London to find a job there.
9. He helped me find the book.
10. It is convenient for me to have a balcony in my flat.

2. Find sentences with the Infinitive in the text and define its function in the sentence.

Unit 6

Gambling analogy

Both gambling and insurance transfer risk and reward. The similarity ends there.

Gambling offers the possibility of a loss or a gain. Gambling creates losers and winners. Insurance transactions do not present the possibility of gain. Insurance offers financial support sufficient to replace loss, not to create pure gain.

Gamblers can continue spending, buying more risk than they can afford to pay for. Insurance buyers can only spend up to the limit of what carriers will accept to insure; their loss is limited to the amount of the premium.

Gambling can create losses that go so far as to damage a gambler's finances. Gambling can hurt people. Insurance reduces financial burdens that can hurt individuals beyond their

point of recovery. Insurance provides money to insured people in need when their need is greatest, i.e. after a loss.

Gambling, creating losers and winners, offers no support to losers. Family and society as a whole can be brought down to a lower average financial level. Insurance payouts are beneficial to society as well as to the individual receiving the benefit directly, since there is no new category created of losers. When an insured loss occurs, money is provided to rebuild what already once existed, or to compensate financially for an irreversible loss.

Gambling redistributes money without regard to recipients' ability or responsibility. Gambling creates both losers and winners without regard to the winners' handling of money. Insurance gives money to those who have already achieved the level of financial responsibility to be able to pay premiums and the foresight to avoid the consequences of large losses.

Gambling increases risk. It creates new risks that do not need to exist. Insurance takes existing risk into a transaction and helps an insured reduce large risk that can not be avoided.

Gamblers create a risk that may have no link with their personal and family situation. Insurance buyers must have an insurable interest in the insurance transaction. Insurance transactions are built around a relationship, usually economic or familial.

Gamblers, by creating new risk transfer without regard to existing risk. They are risk seekers. Insurance buyers are risk avoiders, creating risk transfer in terms of their need to reduce exposure to large losses.

Historically, gambling has been considered an uninsurable risk. Recent developments, however, have led to the invention and patenting of new types of insurance to protect against gambling losses. An example is United States Patent

6,869,362, "Method and apparatus for providing insurance policies for gambling losses."

Insurance, the avoiding, mitigating and transferring of risk, creates greater predictability for individuals and organizations. Insurance enables risk to be handled intelligently to achieve stability and growth.

I. Active Vocabulary of the unit:

gambling - игра в азартные игры;

gain – выигрыш;

irreversible - неизменяемый, необратимый;

financial support – финансовая поддержка;

redistribute - перераспределять, разделять заново;

responsibility – ответственность;

to pay premium - оплатить премию;

foresight – предвидение;

to avoid the consequences – избегать последствий;

insurance transaction – страховое дело; сделка, соглашение;

mitigation - смягчение, уменьшение (вины, наказания, преступления); облегчение (боли, страдания);

II. Answer the questions:

1. What is the similarity of gambling and insurance?
2. What possibility does gambling offer? Does Gambling create losers or winners?
3. What main differences between gambling and insurance do you know?
4. Is gambling insurable?

III. Grammar. Gerund.

Note 1. Герундий не имеет артикля и формы множественного числа.

Note 2. Герундий употребляется:

1. после глаголов finish, stop, go, go on, enjoy, like, hate, keep, give up, need, mind, remember...
2. после глаголов и некоторых выражений с предлогами: Thank for, think of, prevent from, rely on, be fond of, be surprised at...
3. после выражений: can't help, it's no use, it's worth, do you mind...
4. после предлогов after, before, on, by, without, instead of, in ...
5. после существительных с предлогами of, for

Note 3. Герундий в предложении может быть подлежащим, частью составного сказуемого, дополнением, определением, обстоятельством.

1. Give proper translations to the following sayings:

1. No parking.
2. Seeing is believing.
3. Her acting was wonderful.
4. He gave up smoking.
5. Thank you for coming.
6. Before leaving turn off the light.
7. It's worth going there.
8. I don't like his way of speaking.

2. Make up sentences using Gerund.

1. Philip has finished (to pack).
2. We all enjoy (to travel).
3. This door needs (to paint).
4. Will you please go on (to play the piano).
5. Thanks for (to bring the book).
6. We look forward (to see you soon).
7. There's no use (to worry about these things).

3. Combine two sentences according to one of the examples.

Ex.: He wrote some letters and then went out. –

- a) *After writing* some letters he went out.

- b) *Before going out* he wrote some letters.
1. Get on the train. First buy a ticket.
 2. Make a conclusion. First explore the problem carefully.
 3. Enter the office building. Show your passport.
 4. Buy a suit. First try it on.
 5. She laid the table and then brought in the tea.
 6. The boys lay on the beach and then had a swim
 7. We visited the museum and then went to a tea – shop.
 8. He packed and then went to the airport.

Unit 7

Types of insurance

Any risk that can be quantified can potentially be insured. Specific kinds of risk that may give rise to claims are known as "perils". An insurance policy will set out in detail which perils are covered by the policy and which are not.

A single policy may cover risks in one or more of the categories set forth below. For example, auto insurance would cover both property risk (covering the risk of theft or damage to the car) and liability risk (covering legal claims from causing an accident). A homeowner's insurance policy in the U.S. includes *property insurance* covering damage to the home and the owner's belongings, *liability insurance* covering certain legal claims against the owner, and even a small amount of *health insurance* for medical expenses of guests who are injured on the owner's property.

Part 1

Life Assurance

Life policies are based on the life of a particular person, the life assured, and become payable on the death of that person. The assured is the name given to the person who affects the policy and the original owner of the policy. Policies may be divided into the following categories:

- ‘Own life’ policies; in which the assured and the life, on which the policy is based, are one and the same.
- ‘Life of another’ policies; in this case policy is effected on the name of another named person if there is insurable interest in the life of the third party.

Term or Permanent Insurance: Which is best?

Generally speaking, there are two categories of life assurance, term life insurance and permanent life insurance. Often, the solution is a combination of both, since most people have a need for both temporary (term insurance) and lifetime (permanent insurance) protection.

To help a client decide, consider four basic factors:

1) Death Benefit

Permanent life insurance provides a death benefit for as long as a person lives. Term life insurance provides a death benefit for a stated period of time.

2) Duration of Coverage

The longer period of time that insurance protection is needed, the more consideration a client should give to permanent life assurance. For short-term needs, term life insurance may be appropriate.

Examples of permanent needs are:

Use of death benefit:

- to pay bills or provide money for loved ones
- to pay final expenses
- to provide money for a favorite charity
- to pay estate taxes
- to fund a business buy/sell agreement or provide key person protection

Examples of temporary needs are:

Use of death benefit:

- to pay educational expenses

- to pay off home mortgage
- to pay off an automobile loan

3) *Premium*

Permanent life insurance premiums are generally the same and payable for life.

Term life insurance premiums increase over time and are payable for a specific period of time. They generally increase at each renewal.

4) *Cash Value*

Guaranteed cash values can provide money later to help with temporary needs or emergencies.

Permanent life insurance accumulates guaranteed cash values and may be eligible for dividends:

- The growth in cash values is tax-deferred under current federal income tax law.
- You may borrow against the cash value. Borrowed amounts reduce the death benefit and cash surrender value.
- Dividends are a return of premium and are based on actual mortality, expense, and investment experience of the company.
- Dividends are not guaranteed, since actual experience is not known in advance.

Term life insurance does not accumulate cash values, and it doesn't earn dividends.

I. Active vocabulary of the unit:

auto insurance – авто страхование;

property insurance – страхование имущества;

liability insurance – страхование ответственности;

health insurance - страхование здоровья;

medical expenses – медицинские расходы;

provided that – при условии;

solution – решение;

a stated period of time – установленный период времени;
protection – защита;
estate taxes - государственные налоги;
mortgage – закладная;
an automobile loan – ссуда на покупку автомобиля;
renewal – продление (срока действия чего-либо);
tax-deferred – с отложенными налоговыми платежами;
borrowed amounts – заимствованная сумма;
cash surrender value - выкупная стоимость (сумма, на которую имеет право страхователь в случае досрочного прекращения уплаты взносов);
dividends – дивиденды;
be eligible – иметь право быть избранным;
income tax – подоходный налог;
policy loan – кредит под страховой полис (краткосрочная ссуда на покрытие неотложных нужд страхователя, получаемая от страховой компании под залог страхового полиса, удостоверяющего долгосрочный или пожизненный договор личного страхования)

II. Answer the questions:

1. How may policies of life assurance be divided?
2. What categories of life assurance do you know?
3. What basic factors help a client choose the category of life assurance?
4. Does permanent life insurance or term life insurance provide a death benefit for a stated period of time?
5. Can you give any examples when people need permanent life insurance?
6. Will term life insurance premiums or permanent life insurance premiums increase over time?
7. Does term life insurance or permanent life insurance accumulate cash values and which one may be eligible for dividends?

III. Grammar. Prepositions.

Insert prepositions.

1. Term assurances are affected solely to insure ... possibility of death.
2. ... renewal the premium is increased to take account of the age of the life assured.
3. Family income cover is designed to provide an income ... a family.
4. The relationship between premiums paid and surrender value depend ... the nature of the contract.
5. These contracts are based ... life assurance.
6. In theory it is quite possible to have more life assured if insurable interest ... them exist.
7. Perils are risks that give rise ... claims.
8. This sum may be payable ... advance or ... arrears.
9. There is also a market for the provision of medical fees to pay for private medical treatment in hospitals and nursing homes ... well ... consultants' and surgeons' fees.
10. Premiums may be payable ... a reduced period of time.

Part 2

Term Life Insurance

Term life insurance provides death protection for a stated time period, or term.

Term life insurance is perhaps the simplest form of life insurance. It was developed to provide temporary life insurance protection on a limited budget. Since term insurance can be bought in large amounts for a small initial premium, it is well suited for short-range goals such as life insurance coverage to pay off a loan, or providing extra life insurance protection during the child-raising years.

If death of the insured doesn't occur during the period of coverage, the insured does not receive any return from his premium.

In most states and three Canadian provinces, State Farm (an insurance company in the USA) offers term insurance policies providing level premiums for 5, 10, 20, and 30 year periods. These policies can be renewed or continued at higher premiums in most states to age 85 or 95 as stated in the policy (age 80 in New York).

Features of Term Life Insurance

1) *Initial affordability.*

2) *Adjustable premiums:* Term life insurance policies have adjustable premiums. This means that premiums may be raised or lowered at some point specified in the policy based on changes of investment earnings, mortality experience, persistency, and expenses. However, premiums may never be raised above the maximum premiums stated in the policy.

3) *Renewability:* term policies allow the policyholder to continue coverage past the original coverage period of the policy. Each time the policy is renewed the premium increases to the amount for the attained age of the insured. This right is usually offered for a specific period, which varies depending on the type of policy.

4) *Conversion:* policies are convertible to age 75 in most states. Conversion allows the policyholder to exchange a term life insurance policy for any permanent life insurance policy offered by the Company at any time while the policy is in force.

What is Universal Life Insurance?

Universal Life Insurance is a flexible-premium, adjustable benefit life insurance policy that accumulates account value. The flexibility of this policy allows you to change the amount of insurance as your needs for insurance change. Some changes require underwriting approval.

As with all life insurance, the main purpose for buying a Universal Life Insurance policy is the death protection provided to client's loved ones at his/her death.

Benefits of Universal Life

Flexibility – a client decides how much life insurance he needs – and subject to certain requirements and limitations, he can adjust the death benefit and premium payments to fit his changing needs.

Security – the client helps protect his loved ones against possible financial hardship in the event of the insured's death.

Tax-free death benefit – under current tax laws governing individual life insurance, life insurance proceeds are generally income tax free to the beneficiary.

Tax-deferred account value growth – the client policy's Account Value earns interest at the company's current interest rate – federal income tax deferred. The current interest rate is guaranteed to be at least 4% a year.

I. Active vocabulary of the unit:

initial premium – первоначальный взнос;

short-range goals - близлежащие цели;

to pay off a loan – выплатить ссуду;

the period of coverage – период страхового покрытия;

affordability – доступность (по средствам);

adjustable premiums - премия, подлежащая уточнению;

renewability – возобновляемость;

convertible – изменяемый;

to be in force – быть действительным;

flexibility – гибкость;

requirements – требования;

financial hardship – финансовые трудности;

tax-free – не облагаемый налогом;

account value – цена, стоимость счета.

II. Answer the questions:

1. What does permanent life insurance provide?
2. What are short-range goals of term life insurance?
3. What are the features of term life insurance?
4. What is universal life insurance?
5. What is the main purpose for buying a universal life insurance policy?
6. What are the benefits of universal life?

III. Grammar. Participle I (Present Participle).

	The man	standing there	is (was) our manager.	
Looking up (посмотрев наверх)	he		saw a wooden box.	
	He		came in	smiling (улыбаясь).
Not knowing	I		didn't nod.	

Participle I выражает одновременность с действием глагола – сказуемого и переводится на русский язык причастие действительного залога настоящего или прошедшего времени или деепричастием.

Compare:

Gerund	Participle I
Paul left without closing the door. Павел ушел, не закрыв дверь. (сопутствующее обстоятельство)	Not having her address I couldn't find her. Не имея ее адреса, я не смог найти ее. (причина)

Change the following sentences using Participle I.

1. When I was walking up the street, he met a strange elderly man.
2. The officers who stood before him asked him to show them his things.

3. As he felt bad he decided to see a doctor.
4. The hostess came up to each guest and offered coffee.
5. The street which runs east is called Columbus Avenue.
6. As he had no sense of humour he couldn't enjoy the jokes.
7. As I was late I took a taxi.
8. He had to refuse our invitation because he was very busy.
9. I knew that he was poor and offered him my room.
10. She didn't want to listen to the story again. She had heard it before.
11. I sat in the front row. I saw everything well.
12. She entered the room suddenly and found them smoking.
13. I took the newspaper which was lying on the table.
14. I heard how they spoke in the next room.
15. We saw how he worked in the garden.

Unit 8

Life Insurance Policy

Life insurance provides a monetary benefit to a decedent's family or other designated beneficiary, and may provide for burial, funeral and other final expenses. Life insurance policies allow the option of paying to the beneficiary either in a lump sum cash payment or *an annuity*. An annuity is a contract to pay a set annual sum during the life of the annuitant in return for a single premium. The sum is usually described in terms of an annual amount, although in practice it may be paid half yearly, quarterly or monthly. It may be paid in advance or in arrears. Annuities provide a stream of payments and are generally classified as insurance because they are issued by insurance companies and regulated as insurance. They require the same kinds of actuarial and investment management expertise that life insurance requires. Annuities

and pensions that pay a benefit for life are sometimes regarded as insurance against the possibility that a retiree will outlive his or her financial resources. In that sense, they are the complement of life insurance.

Health Insurance

Many life insurers offer permanent health insurance (PHI). It differs from life assurance in that it pays out not on death, but when the insured is unable to work due to illness or accident. It provides a regular income (weekly or monthly) to replace that income which the insured may no longer be able to earn for himself. PHI is classified as long term insurance because as long as the insured keeps paying premiums and complies with any relevant policy conditions the insurer can not cancel the policy or increase the premium no matter how many claims are made.

Health insurance is coverage for individuals to protect them against medical costs. It is important in the event that a client or any member of his/her family is ever sick or injured. Having this coverage will protect the family from financial hardships.

Medical expenses insurance

There is a market for the provision (обеспечение) of medical fees to pay for private medical treatment in hospitals and nursing homes as well as consultants' and surgeon' fees. Employers benefit from the existence of such insurances and many are prepared to pay part or all of the premiums.

Disability Insurance

A client chooses the plan that best suits his individual needs.

This plan is designed to keep a client financially stable during difficult times by paying a monthly income, directly to him, when he is sick or hurt and unable to work. It is ideal as a primary income replacement plan or as a supplement to his salary continuation or group disability plan.

Dental insurance

Dental insurance, like health insurance, is coverage for individuals to protect them against dental costs. In the U.S., dental insurance is often part of an employer's benefits package, along with health insurance.

Travel insurance

Travel insurance is an insurance cover taken by those who travel abroad, which covers certain losses such as medical expenses, lost of personal belongings, travel delay, personal liabilities, etc.

I. Active vocabulary of the unit:

lump sum cash payment - единовременно выплачиваемая сумма (наличными);

an annuity – аннуит (ежегодная рента, ежегодный доход);

set annual sum – установленная годовая сумма;

in advance – заранее;

arrears - долги, задолженность, недоимка;

a retiree – пенсионер;

the complement – дополнение;

to cancel the policy – аннулировать страховой полис;

to increase the premium – увеличить оплату;

disability insurance – страхование от нетрудоспособности.

II. Exercises:

1. Answer the questions:

1. What does life insurance provide?
2. What options do life insurance policies allow?
3. What is an annuity?
4. Are there any differences between annuities and insurance?
5. Why is health insurance important to everyone?
6. What will this coverage protect the client from?
7. What do health insurance policies cover?
8. What does dental insurance protect people from?

2. Now imagine you are working for an insurance company. Your job is to make up a list of about 10 questions for people who want life insurance. You don't want to give insurance to anyone who is likely to die soon!

III. Grammar. Comparisons and prepositions.

1. Rewrite the sentences using *as...as*.

1. I'm quite tall but you are taller.
2. My salary is high but yours is higher.
3. You know a bit about cars but I know more.
4. I still feel a bit tired but I felt more tired yesterday.
5. I was a bit nervous before the interview but usually I'm a lot more nervous.

2. Complete the sentences using *as...as*. Choose one of the following:

Fast, well, comfortable, quietly, soon, often, long, bad.

1. How long can I stay with you? You can stay ... you like.
 2. I need the information quickly, so please let me know ... possible.
 3. I like to keep fit, so I go swimming ... I can.
 4. I didn't want to wake anybody, so I came in ... I could
 5. I'm sorry I'm a bit late. I got there ... I could.
3. Put in *like* or *as*.
1. It's raining again. I hate weather ... this
 2. Jane failed her driving test ... she expected.
 3. Do you think Carol looks ... her mother?
 4. He really gets on my nerves. I can't stand people ... him.
 5. Why didn't you do it ... I told you to do it?
 6. "What does Bill do?" "He is a student ... most of his friends."
 7. Why do you never listen? Talking to you is ... talking to the wall.

8. ... I said yesterday, I'm thinking of changing my job.
9. Tom's idea seemed a good one, so we did ... he suggested.
10. It's a difficult problem. I never know what to do in situations ... this.
11. Your English is very fluent. I wish I could speak ... you.
12. Don't take my advice if you don't want to. You can do ... you like.
13. You waste too much time doing things ... sitting in cafes all day.
14. I wish I had a car ... yours.
15. My neighbour's house is full of interesting things. It's ... a museum.

Unit 9

Liability insurance

Liability insurance is a very broad superset that covers legal claims against the insured. Many types of insurance include an aspect of liability coverage. For example, a homeowner's insurance policy will normally include liability coverage which protects the insured in the event of a claim brought by someone who slips and falls on the property; automobile insurance also includes an aspect of liability insurance that indemnifies against the harm that a crashing car can cause to others' lives, health, or property. The protection offered by a liability insurance policy is twofold: a legal defense in the event of a lawsuit against the policyholder and indemnification (payment on behalf of the insured) with respect to a settlement or court verdict. Liability policies cover only the negligence of the insured, and will not apply to results of willful or intentional acts by the insured.

Professional liability insurance, also called professional indemnity insurance, is normally a mandatory requirement for

professional practitioners such as architects, lawyers, doctors, and accountants to provide insurance coverage against potential negligence claims. Especially in reference to the medical profession, it may be called *malpractice insurance*. Other professionals may purchase professional liability insurance, in which case it is called *errors and omissions insurance* (E&O) and covers a service provider for claims made against him that arise out of the performance of his services. For instance, a web site designer can obtain E&O insurance to cover her for certain claims made by third parties that arise out of negligent performance of web site development services. Other potential E&O policyholders are real estate brokers, home inspectors, and appraisers. An employer may be liable for injury to an employee. A manufacturer can be sued if a defect in the goods he has supplied causes injury or loss. This is called products liability.

Liability insurance is perhaps the easiest class of insurance in which to establish the measure of indemnity.

I. Active vocabulary of the unit:

twofold – двойной, двусторонний;

legal defense – юридическая защита;

a lawsuit - судебный процесс; иск; тяжба;

on behalf of - от лица, от имени (кого-л.);

court verdict – судебный вердикт (решение присяжных заседателей);

settlement - документ о передаче имущества (в чье-л. владение);

negligence - небрежность; невнимательность, халатность;

willful or intentional acts – преднамеренные действия;

in reference to – в связи с;

estate broker – агент по продаже недвижимости;

appraiser – оценщик;

an employee – служащий, работающий по найму;

to sue - преследовать судом, подавать в суд, возбуждать иск, предъявлять иск;
to establish the measure of indemnity – установить размер компенсации.

II. Exercises:

1. Answer the questions:

1. What is liability insurance?
2. What protection does liability coverage offer to the insured in different types of insurance?
3. How can you explain twofold protection of liability insurance policy?
4. Who needs professional liability insurance as a compulsory requirement?

2. Read situations and answer the question:

Which of these examples could be protected by professional indemnity insurance?

1. Cattle and poultry foods may be incorrectly mixed or contain harmful ingredients
2. An accountant's advice resulting in the purchase of worthless shares.
3. A chemist may mix medicines wrongly.
4. Fireworks incorrectly labeled can cause serious injuries to children.
5. A lawyer may give incorrect advice resulting in financial loss.
6. Hairdressing preparations such as dyes, tints, and solutions can contain harmful ingredients or be improperly used.
7. Tools and machinery can contain defective materials or be of faulty manufacture.

Unit 10

Automobile insurance

Automobile insurance, known in the UK as motor insurance, is probably the most common form of insurance and may cover both legal liability claims against the driver and loss of or damage to the insured's vehicle itself. Auto insurance policy is required to legally operate a motor vehicle on public roads.

Auto insurance is designed to help financially cover potential auto-related damages, loss or injuries. It helps protect the driver or passengers, fellow drivers, pedestrians, other people's property and a car. It can also help protect in the event of an automobile-related lawsuit.

If you or your passengers are injured in an accident in your vehicle and you have applicable medical payments coverage or personal injury protection coverage, your injury-related bills will be paid in accordance with your coverage, subject to the terms and conditions of your policy.

Auto Liability Coverage may protect you in the event that you damage someone else's property or cause injury to others.

No-fault insurance is a type of insurance policy (typically automobile insurance) where insureds are indemnified by their own insurer regardless of fault in the incident.

There are three basic levels auto policy cover:

Third Party only	Third Party fire and theft	Comprehensive
Legal liability for death or bodily injury to any person (including passengers in the insured vehicle)	In addition to the cover given under the Third Party only policy – damage caused to the vehicle as a	In addition to the cover granted by the Third Party policy with the addition of cover for both fire and theft this policy

and damage to vehicles and property belonging to others. Emergency treatment given by a doctor to the insured or any other insured person (paid for at a fixed rate) not dependent on liability	result of fire and/or loss of or damage to the vehicle as a result of theft may be covered. There is no limit on Third Party property damage cover. Off the road cover is included	covers a wide range of other risks. The main one is in respect of the loss of or damage to the vehicle other than as a result of fire or theft. The Private Car policy may also include: Accident benefits for the insured and spouse Medical expenses Cover for personal effects. (subject to a limit)
--	--	---

Learn to reduce your risks.

Secure your vehicle:

- Lock your garage at home.
- Park in well-lit areas.
- Roll your windows up completely and when parked.
- Always lock your vehicle.
- Consider installing a vehicle alarm or other theft protection device.
- Never leave your vehicle unattended while the engine is running.

Secure your property:

- Always hide valuables
- Never hide a second key in or on your car

Park securely:

- When parking on a street, turn your wheels toward the curb and set the emergency brake.

When parking in a driveway or parking lot follow these rules:

- If front-wheel drive, pull in forward and set your emergency brake.
- If rear-wheel drive, back into the space and set the emergency brake.

When buying a new vehicle consider looking for:

- A factory immobilizer (computer chip in the key)
- A locking steering wheel
- Other anti-theft devices such as an alarm

Always report any suspected theft activity to your local police.

I. Active vocabulary of the unit:

vehicle – транспортное средство;

victim – жертва;

eliminate – устранять;

auto-related damage – убытки, связанные с дорожно-транспортным происшествием;

pedestrian – пешеход;

in accordance with – в соответствии с;

no-fault insurance - страхование автотранспортного средства независимо от виновника столкновения;

well-lit – хорошо освещенный;

a vehicle alarm – сигнализация;

emergency brake – тормоз;

anti-theft device – противоугонное средство.

II. Exercises:

1. Answer the questions:

1. What is Auto insurance designed for?
2. Will injury-related bills be paid if you or your passengers are injured in an accident in your vehicle or you have no applicable medical payments coverage?
3. What is no-fault insurance?
4. What basic levels does auto policy cover?

5. Dwell on your actions of securing your vehicle and property?
6. What should you consider if you want to buy a new vehicle?

2. Read the text and answer the questions:

1. How to make the trip by car safer for children?
2. What rules of buckling children (infants, toddlers, young children, older children) do you know?

How do you safely buckle your kids?

Do's	Don'ts
Do restrain your child appropriately for his or her age, weight and height.	Don't put your child in the front seat. Children of 12 and under should sit in the back seat appropriately restrained.
Do follow directions that come with the child safety seat.	Don't place a child in front of an active airbag because they are made to protect adults, not children. Children of 12 and under should ride in the back seat, away from air bags.

Infants: Birth until at least 20 pounds and at least 1 year old

- Use rear-facing infant seat or rear-facing convertible seat.
- Route harness straps in lower slots, at or below shoulder level.
- Fasten the top of the harness clip at armpit level.
- Never place a rear-facing infant in the front seat with an active airbag.

Toddlers: Over 20 pounds and over 1 year old; Up to 40 pounds

(Once rear-facing infant seat or rear-facing convertible seat is outgrown)

- Use forward-facing car seat.
- Route harness straps in designated reinforced slots, at or above shoulder level.
- Fasten harness clip at armpit level.
- Keep harness straps snug.

Young Children: Over 40 pounds; Up to at least age 8, unless 49 pounds

(Once forward-facing car seat is outgrown)

- Belt positioning booster seat with a lap and shoulder seat belt.
- Place shoulder strap over the shoulder and snug across the chest.
- Place lap belt low and tight on hips, NOT over stomach.
- Make sure shoulder strap is never across the neck, face or arm.

Older Children: Over age 8 or 49 pounds

(Once belt-positioning booster seat is outgrown)

- Use a lap and shoulder seat belt.
- Shoulder belt fits over the shoulder and across the chest.
- Lap belt should fit low and tight on hips, NOT over stomach.
- Shoulder belt should never be placed under arms or behind back.

Unit 11

Property insurance

Homeowners' insurance

Property insurance provides protection against risks to property, such as fire, theft or weather damage. This includes specialized forms of insurance such as fire insurance, flood insurance, earthquake insurance, home insurance, etc.

Fire insurance

Most general insurance companies started out as fire insurance offices. A typical fire policy covers damage to property caused by fire. The general rule is that the measure of indemnity in respect of the loss of any property is determined not by its cost, but by its value at the date of loss and at the place of loss.

Theft insurance

It is becoming common for theft insurances to be subject to an excess. Unlike fire insurance, a proposer will often recognize that a potential theft will be selective in what he steals whereas a fire, by its nature, is not selective. Usually the proposer insures significantly less than the full value. This cover is called a 'first loss' cover.

Flood Insurance

Most homeowners' policies do not cover flood damage.

A flood insurance policy normally takes 30 days from the date of purchase to go into effect. So, don't wait until a flood is imminent to buy a policy.

The National Flood Insurance Program is only available in the United States.

All risks insurance

The cover available includes fire and theft but is much wider so as to include any misfortune. It doesn't mean all risks in its literal sense but it certainly covers very many risks. The major exclusions are:

- radioactive contamination;

- war;
- riot, civil commotion, earthquake, volcanic eruption outside a territorial limitation;
- detentions by customs officials;
- wear and tear, gradual deterioration, moth and vermin;
- electrical and mechanical derangement.

I. Active vocabulary of the unit:

to be subject to an excess – быть избыточным,
превышающим норму;

a 'first loss' cover – страховое покрытие первой потери;
imminent – неизбежный;

to go into effect – вступить в силу;

available – действительный;

misfortune - беда, неудача, несчастье, злоключение;

contamination - заражение, инфекция;

riot – бунт;

civil commotion - гражданские волнения, неповиновение,
беспорядки;

detention - задержание, арест, содержание под арестом;

deterioration - ухудшение (состояния или качества), порча,
повреждение;

moth – моль;

vermin – вредители;

derangement – неисправность, нарушение нормальной
работы (напр., машины).

II. Exercises:

1. Answer the questions:

1. What protection can property insurance provide?
2. What is included in fire insurance policy?
3. Does theft insurance cover full value of stolen goods?
4. What is meant by flood insurance policy?
5. When does a flood insurance policy go into effect?

2. Give Russian equivalent for:

To be subject to an excess; a 'first loss' cover; purchase; to go into effect; imminent; to buy a policy.

Use these phrases in your own sentences.

3. Read and use some of these phrases in your own sentences.

automobile insurance - страхование автомобилей

comprehensive insurance - полное страхование

compulsory insurance - обязательное страхование

disability insurance - страхование от нетрудоспособности

endowment insurance - страхование-вклад, страхование на дожитие

fire insurance - страхование от пожара

flight insurance - страхование авиаперелетов

flood insurance - страхование от потопов

group insurance - групповое страхование

health insurance - страхование здоровья

hurricane insurance - страхование от последствий урагана

liability insurance - страхование ответственности

life insurance - страхование жизни

major-medical insurance - общемедицинское страхование

marine insurance - морское страхование (судов и грузов)

motor-car insurance - страхование автомобилей

private mortgage - insurance частная страховка ипотеки

property insurance - страхование собственности

social insurance - социальное страхование

third party insurance - страхование от задолженностей

no-fault insurance - страхование автотранспортного средства независимо от виновника столкновения

title insurance - страхование прав

unemployment insurance - страхование по безработице

whole life insurance - пожизненное страхование

4. a) *Read and be ready to answer the questions:*

1. What can Renters Insurance protect your personal property against?
2. Can Renters insurance help protect you in case of a liability lawsuit against you?
3. What will you be eligible for, when you purchase renters and auto insurance policies?
4. Are they available in other states or provinces?
5. What famous renter's myths do you know?

Renters' Insurance

Even renters are owners.

You may not own the place where you live, but you still need insurance protection. Renters insurance is for anyone who rents a home, be it a house or an apartment. Renters insurance can protect your personal property against fire, theft and vandalism. Renters insurance can help protect you in case of a liability lawsuit against you. This could occur in a situation where you are held responsible for:

- Injury to another person,
- Damage to another person's property,

whether the incident occurred within your rented residence, or elsewhere.

Renters' Myths

Common myths about Renters Insurance:

"Renters insurance is expensive."

Renters insurance is remarkably affordable. For just pocket change a day, our policy can provide affordable basic protection of your personal property and can protect you in case of a liability lawsuit.

"The landlord's insurance covers me."

Your landlord's insurance generally only covers the building where you live - not your personal belongings and your liability.

"I don't need liability insurance."

Your landlord's policy most likely does not include liability for something that happens in your rented residence. You could be held responsible for injury to another person or damage to another person's property if an incident occurred within your rented residence, or elsewhere. Without liability coverage, your current and future earnings could be at risk. Renters insurance may also provide legal defense costs.

"I don't own very much."

Most people's belongings are often worth more than they think. That's one reason why you need Renters Insurance.

- Renters insurance is flexible, allowing you to select the coverages and insurance amounts that suit your needs.

b) Translate words and phrases; use them in your sentences.

To rent home, liability, residence, pocket change a day, to be at risk, legal defense costs.

Unit 12

Types of insurance companies

Insurance companies may be classified as

Life insurance companies, which sell life insurance, annuities and pensions products.

Non-life or general insurance companies, which sell other types of insurance.

In most countries, life and non-life insurers are subject to different regulatory regimes and different tax and accounting rules. The main reason for the distinction between the two types of company is that life, annuity, and pension business is very long-term. Coverage for life assurance or a pension can cover risks over many decades. By contrast, non-life insurance cover usually covers a shorter period, such as one year.

Insurance companies are generally classified as either *mutual* or *stock companies*. This is a traditional distinction because true mutual companies are becoming rare. Mutual companies are owned by the policyholders, while stockholders

(who may or may not own policies) own stock insurance companies. Other possible forms for an insurance company include *reciprocals*, in which policyholders 'reciprocate' in sharing risks as in Lloyds organizations.

Insurance companies are rated by various agencies. The ratings include the company's financial strength, which measures its ability to pay claims.

Reinsurance companies are insurance companies that sell policies to other insurance companies, allowing them to reduce their risks and protect themselves from very large losses. The reinsurance market is dominated by a few very large companies, with huge reserves. A reinsurer may also be a direct writer of insurance risks as well.

Captive insurance companies may be defined as limited-purpose insurance companies established with the specific objective of financing risks. They emanate from their parent group or groups. This definition can sometimes be extended to include some of the risks of the parent company's customers. Captives represent commercial, economic and tax advantages to their sponsors. Additionally, they may provide coverage of risks which is neither available nor offered in the traditional insurance market at reasonable prices.

The types of risk that a captive can underwrite for their parents include property damage, public and products liability, professional indemnity, employee benefits, employers' liability, motor and medical aid expenses. The captive's exposure to such risks may be limited by the use of reinsurance.

There are also companies known as '*insurance consultants*'. Like a mortgage broker, these companies are paid a fee by the customer to shop around for the best insurance policy amongst many companies.

Similar to an insurance consultant, an '*insurance broker*' also shops around for the best insurance policy amongst many companies. However, with insurance brokers, the fee is usually

paid in the form of commission from the insurer that is selected rather than directly from the client.

Neither insurance consultants nor insurance brokers are insurance companies and no risks are transferred to them in insurance transactions.

Third party administrators are companies that perform underwriting and sometimes claims handling services for insurance companies. These companies often have special expertise that the insurance companies do not have.

I. Active vocabulary of the unit:

stock company - акционерное общество;

mutual company - взаимно-сберегательный банк;

stockholder – акционер;

reciprocals - взаимно обязывающие компании;

various – различные;

reinsurance companies – перестраховочные компании;

reinsurance market – перестраховочный рынок;

reinsurer – перестраховщик;

captive insurance companies – кэптивные страховые компании;

to emanate - происходить (from);

advantage – преимущество;

reduction - сокращение, уменьшение, снижение, спад;

at reasonable prices – по умеренным ценам.

II. Answer the questions:

1. How may insurance companies be classified?
2. What is the difference between life and non-life insurance companies?
3. Who are mutual companies and stock companies owned by?
4. What insurance companies sell policies to other insurance companies?

5. Why do captive insurance companies represent commercial, economic and tax advantages to their sponsors?
6. What is the background of captives?
7. Can insurance consultants and insurance brokers be considered as insurance companies?
8. Do 'third party administrators' companies perform underwriting and sometimes claims handling services for insurance companies?

III. Grammar. Either ... or ...; neither ... nor

1. Rewrite sentences with neither ... nor ...; either ... or
 1. She didn't write and she didn't phone.
 2. Goerge doesn't smoke and he doesn't drink.
 3. Jim hasn't got a car. Carol hasn't got a car either.
 4. Is that man's name Richard? Or is it Robert? It's one of the two. The man's name
 5. I haven't got time to go on holiday. And I haven't got the money. I've got ...
 6. We can leave today or we can leave tomorrow – whichever you prefer. We ...
 7. Liz didn't come to the party and Robin didn't come to the party too.
 8. I'm not sure where he is from. He may be Spanish and he may be Italian.
 9. She said she would contact me but she didn't write and even didn't phone.
 10. Insurance brokers are not insurance companies and insurance consultants are not insurance companies too.
 11. Captives provide coverage of risks which is not available and which is not offered in traditional insurance market.

Unit 13

Financial viability of insurance companies

Financial stability and strength of an insurance company should be a major consideration when purchasing an insurance contract. An insurance premium paid currently provides coverage for losses that might arise many years in the future. For that reason, the viability of the insurance carrier is very important. In recent years, a number of insurance companies have become insolvent, leaving their policyholders with no coverage.

Controversies:

1) Insurance insulates too much

By creating a "security blanket" for its insureds, an insurance company may find that its insureds have fully transferred the risk to the insurer. This problem is known to the insurance industry as moral hazard. To reduce their own financial exposure, insurance companies have contractual clauses that mitigate their obligation to provide coverage if the insured engages in behavior that grossly magnifies their risk of loss or liability.

For example, life insurance companies may require higher premiums or deny coverage altogether to people who work in hazardous occupations or engage in dangerous sports. Liability insurance providers do not provide coverage for liability arising from intentional torts committed by the insured.

2) Closed community self-insurance

Some communities prefer to create virtual insurance amongst themselves. A number of religious groups, including the Amish and some Muslim groups, depend on support provided by their communities when disasters strike. The risk presented by any given person is assumed collectively by the community who all bear the cost of rebuilding lost property and supporting people whose needs are suddenly greater after a loss of some kind. In supportive communities where others can be

trusted to follow community leaders, this tacit form of insurance can work.

3) Complexity of insurance policy contracts

Insurance policies can be complex and some policyholders may not understand all the fees and coverages included in a policy. As a result, people may buy policies on unfavorable terms. In response to these issues, many countries have enacted detailed statutory and regulatory regimes governing every aspect of the insurance business, including minimum standards for policies and the ways in which they may be advertised and sold.

Many institutional insurance purchasers buy insurance through an insurance broker. Brokers represent the buyer (not the insurance company), and typically counsel the buyer on appropriate coverages, policy limitations.

Insurance may also be purchased through an agent. An agent represents the insurance company from whom the policyholder buys. An agent can represent more than one company.

I. Active vocabulary of the unit:

consideration - взгляд, мнение, суждение;

viability – жизнестойкость;

insolvent – неплатежеспособный;

controversies – противоречия, расхождения во мнениях;

hazard – риск;

financial exposure – финансовая дискредитация;

contractual clause - условие договора, пункт договора;

hazardous occupation – опасная профессия;

intentional torts – намеренные правонарушения;

explicit numerical values – точные численные значения;

to assign – назначать, определять;

tacit form of insurance – автоматическое страхование;

unfavorable terms – невыгодные условия;

statutory and regulatory regime – установленная регулятивная система.

II. Exercises:

1. Answer the questions:

1. Why is the viability of the insurance company very important?
2. Do insurance companies provide coverage to people who work in hazardous occupations or engage in dangerous sports?
3. Why have many countries enacted detailed statutory and regulatory regimes governing every aspect of the insurance business?
4. What are the differences between a broker and an agent?

2. Translate.

1. Страховая компания купила акции на невыгодных условиях и стала неплатежеспособной.
2. Страховой агент должен проконсультировать страхователя, чтобы избежать разногласий и не подвергать его риску.
3. Страхователь хочет получить гарантию безопасности своих вложений.

Unit 14

Redlining

Redlining is the practice of denying insurance coverage in specific geographic areas, because of a high likelihood of loss.

In determining premiums and premium rate structures, insurers consider quantifiable factors, including location, credit scores, gender, occupation, marital status, and education level. However, the use of such factors is often considered to be

unfair or unlawfully discriminatory, and the reaction against this practice has led to political disputes about the ways in which insurers determine premiums and regulatory intervention to limit the factors.

An insurance underwriter's job is to evaluate a given risk as to the likelihood that a loss will occur. Any factor that causes a greater likelihood of loss should theoretically be charged a higher rate. This basic principle of insurance must be followed if insurance companies are to remain solvent. Thus, "discrimination" against potential insureds in the risk evaluation and premium-setting process is a necessary by-product of the fundamentals of insurance underwriting. For instance, insurers charge older people significantly higher premiums than they charge younger people for term life insurance. Older people are thus treated differently than younger people (i.e., a distinction is made, discrimination occurs). The rationale for the differential treatment goes to the heart of the risk a life insurer takes: Old people are likely to die sooner than young people, so the risk of loss (the insured's death) is greater in any given period of time and therefore the risk premium must be higher to cover the greater risk. However, treating insureds differently when there is no sound reason for doing so is unlawful discrimination.

What is often missing from the debate is that prohibiting the use of legitimate, and there is thus a deficit in the system. The failure to address the deficit may mean insolvency and hardship for all of a company's insureds. The options for addressing the deficit seem to be the following: Charge the deficit to the other policyholders or charge it to the government.

I. Active vocabulary of the unit:

redlining - отказ в страховом покрытии, в выдаче ссуды;
credit scores - кредитные счета;

gender – пол;
marital status - семейное положение;
political disputes - политические дебаты;
to evaluate a risk - оценивать, давать оценку риску;
to remain solvent – оставаться платежеспособным;
potential insureds - возможные страхователи;
by-product - побочный продукт;
the rationale - разумное объяснение;
sound reason - здравый смысл;
a deficit – дефицит.

II. Answer the questions:

1. What does 'redlining' mean?
2. What factors do insurers consider in determining premiums and premium rate structures?
3. Why are they considered to be unfair?
4. What is the basic principle of an insurance underwriter's job?
5. Why does differential treatment of potential insureds in the risk evaluation and premium-setting process happen?

III. Grammar. Prefixes.

1. Read and remember commonly used prefixes:

Un- ex. unemployment;

In- ex. information;

Im- ex. impossible;

Il- ex. illiteracy;

Co- ex. cooperation;

Dis- ex. disability.

2. Form new nouns with a help of word – forming prefixes:

Existence, formation, form, understanding, employment, honesty, fortune, agreement, morality, literacy.

3. What word – forming prefixes are used in the text?

Unit 15

Insurance Sales Agents

Significant points:

- Agents offer comprehensive financial planning services, including retirement and estate planning; as a result, in addition to offering insurance policies, agents sell mutual funds, annuities, and securities.
- Agents must obtain a license where they plan to do their selling.
- Job opportunities should be good for college graduates who have sales ability, excellent interpersonal skills, and expertise in a wide range of insurance and financial services.
- Successful agents often have high earnings, but many beginning agents fail to earn enough from commissions to meet their income goals and eventually transfer to other careers.

Nature of the work

Most people have their first contact with an insurance company through an insurance sales agent. These workers help individuals, families, and businesses select insurance policies that provide the best protection for their lives, health, and property. Insurance sales agents who work for one insurance company are referred to as captive agents. Independent insurance agents, or brokers, represent several companies and place insurance policies for their clients with the company that offers the best rate and coverage. In any case, agents prepare reports, maintain records, seek out new clients, and, in the event of a loss, help policyholders settle their insurance claims. Some of them offer their clients financial analysis or advice on ways the clients can minimize risk.

Insurance sales agents are so called “producers” in the insurance industry. They sell one or more types of insurance,

such as property and casualty, life, health, disability, and long-term care. Property and casualty insurance agents sell policies that protect individuals and businesses from financial loss resulting from automobile accidents, fire, theft, storms, and other events that can damage property. For businesses, property and casualty insurance can also cover injured workers' compensation, product liability claims, or medical malpractice claims.

Life insurance agents specialize in selling policies that pay beneficiaries when a policyholder dies. A cash-value policy can be designed to provide retirement income, funds for the education of children, or other benefits. Life insurance agents also sell annuities that promise a retirement income. Health insurance agents sell health insurance policies that cover the costs of medical care and loss of income due to illness or injury. They also may sell dental insurance and short-term and long-term-disability insurance policies.

An increasing number of insurance sales agents are offering comprehensive financial planning services to their clients, such as retirement planning, estate planning, or assistance in setting up pension plans for businesses. Besides offering insurance, these agents may become licensed to sell mutual funds, variable annuities, and other securities. This practice is most common with life insurance agents who sell annuities; however, property and casualty agents also sell financial products.

I. Active vocabulary of the unit:

retirement - уход на пенсию;
mutual funds - общий, совместный капитал;
to obtain a license - получать лицензию;
college graduates – выпускники колледжа;
sales ability – опыт в торговле;
earnings - заработок; прибыль;

independent insurance agents – независимые страховые агенты;
casualty insurance - страхование от несчастного случая (личностное страхование).

II. Exercises:

1. Answer the questions:

1. How are insurance sales agents who work exclusively for one insurance company called?
2. What is included into the Insurance sales agents' service?
3. Do casualty insurance agents sell policies that protect only businesses from financial loss?
4. What categories of insurance sales agents do you know?
5. What do life insurance agents specialize in?

2. Read, translate and prepare a good reading of a passage.

Working Conditions of an insurance agent

Most insurance sales agents are based in small offices, from which they contact clients and provide information on the policies they sell. However, insurance agents spend much of their time outside their offices, traveling locally to meet with clients, close sales, or investigate claims. Agents usually determine their own hours of work and often schedule evening and weekend appointments for the convenience of clients. Although most agents work a 40-hour week, some work 60 hours a week or longer. Commercial sales agents, in particular, may meet with clients during business hours and then spend evenings doing paperwork and preparing presentations to prospective clients.

Insurance sales agents should be flexible, enthusiastic, confident, disciplined, hard working, and willing to solve problems. They should communicate effectively and inspire

customer confidence. Because they usually work without supervision, sales agents must be able to plan their time well and have the initiative to locate new clients.

An insurance sales agent who shows ability and leadership may become a sales manager in a local office. However, many who have built up a good clientele prefer to remain in sales work. Some – particularly in the property and casualty field – establish their own independent agencies or brokerage firms.

1. What are working conditions of an insurance agent?
2. What common traits should any insurance agent possess?

Unit 16

Employment

Insurance sales agents held about 400,000 jobs in 2004. Most insurance sales agents employed in wage and salary positions work for insurance agencies and brokerages. A decreasing number of agents work directly for insurance carriers. Although most insurance agents specialize in life and health insurance or property and casualty insurance, a growing number of “multiline” agents sell all lines of insurance. A small number of agents work for banks and securities brokerages as a result of the increasing integration of finance and insurance industries. Approximately 1 out of 4 insurance sales agents is self-employed. Insurance sales agents are employed throughout the country, but most work in or near large urban centers. Some are employed in the headquarters of insurance companies, but the majority work out of local offices or independent agencies. Many beginning agents fail to earn enough from commissions to meet their income goals and eventually transfer to other careers.

Future demand for insurance sales agents depends on the volume of sales of insurance and other financial products.

Sales of health insurance and long-term-care insurance are expected to rise as the population ages. In addition, a growing population will increase demand for insurance for automobiles, homes, and high-priced valuables and equipment. As new businesses emerge and existing firms expand their insurance coverage, sales of commercial insurance also should increase, including coverage such as product liability, workers' compensation, employee benefits, and pollution liability insurance.

Agents who incorporate new technology into their existing businesses will remain competitive. Agents who use the Internet to market their products will reach a broader client base and expand their businesses. But most clients value their relationship with their agent and many individuals still prefer discussing their policies directly with their agents, rather than through a computer. Also, the automation of policy and claims processing is allowing insurance agents to take on more clients.

Agents may face competition from traditional securities brokers and bankers as they begin to sell insurance policies. Because of increasing consolidation among insurance companies, banks, and brokerage firms, and due to increasing demands from clients for more comprehensive financial planning, insurance sales agents will need to expand the products and services they offer.

Agents who offer better customer service also will remain competitive. Call centers are other important way carriers and agents are offering better service to customers, because such centers provide greater access to their policies and more prompt services.

Insurance and investments are becoming more complex, and many people and businesses lack the time and expertise to buy insurance without the advice of an agent. Moreover, most individuals and businesses consider insurance a necessity,

regardless of economic conditions. Therefore, agents are not likely to face unemployment because of a recession.

I. Active vocabulary of the unit:

integration – укрупнение;

headquarters - главное управление, центр; центральный орган;

the volume of sales – объем продаж;

to expand – расширять;

to keep up with - держаться наравне с кем-л., не отставать;

to incorporate new technology – внедрять новые технологии;

consolidation – объединение;

to lack the time and expertise - испытывать недостаток времени и опыта;

recession – спад, кризис.

II. Exercises:

1. Answer the questions:

1. What do most insurance agents specialize in?
2. How many insurance sales agents are self-employed?
3. Why do insurance sales agents need to expand the products and services they offer?
4. How are insurance sales agents paid?
5. What does the amount of commission and bonus depend on?

2. Read and translate without a dictionary.

Earnings of insurance agents

Many independent agents are paid by commission only, whereas sales workers who are employees of an agency or an insurance carrier may be paid in one of three ways – salary only, salary plus commission, or salary plus bonus. In general, commissions are the most common form of compensation, especially for experienced agents. The amount of the

commission depends on the type and amount of insurance sold and on whether the transaction is a new policy or a renewal. Bonuses are usually awarded when agents meet their sales goals or when an agency meets its profit goals. Some agents involved with financial planning receive a fee for their services, rather than a commission.

Company-paid benefits to insurance sales agents usually include continuing education, training to qualify for licensing, group insurance plans, office space, and clerical support services. Some companies also may pay for automobile and transportation expenses, attendance at conventions and meetings, promotion and marketing expenses, and retirement plans. Independent agents working for insurance agencies receive fewer benefits, but their commissions may be higher to help them pay for marketing and other expenses.

Vocabulary

Check yourself

Unit1

Part 1

Управление риском; страховать (себя) от возможных потерь; возможный, случайный; страховая премия, страховой взнос; страховщик (организация, осуществляющая страховую деятельность); страховая оценка; страховое покрытие (общая сумма рисков по договору страхования); получить ссуду; погасить ссуду; акционерный капитал на случай риска; наличные; сумма, выплачиваемая в качестве компенсации; страхователь.

Part 2

Покупать акции; страховая компания, страховое общество; пожизненная, бессрочная страховка.

Unit 2

Однородные страховые случаи; автомобильное страхование; извлекать выгоду; страховой полис;

профессиональное заболевание; проверять; заявление, иск; лицо, получающее страховую премию/ пособие; ожидаемая сумма потерь; допустимая страховая премия; объективная оценка; страховой полис; держатель страхового полиса.

Unit 3

Компенсация; ответственность; защита; безопасность; подсчитать потери; длительность страхового покрытия; точно установленная угроза, опасность; давать право; плата за страховку; получающий страховку; накладные расходы; фонд, капитал; предвиденные потери; разница, преимущество.

Unit 4

Условия договора; долгосрочный; аннулировать контракт; искажение, неправильное представление; срок, определенный период; сильно воздействовать; соглашение; ограничение; важность, значимость; выплата; изменять условия контракта.

Unit 5

Данные; следовать из; статистик страхового общества; определять степень риска; коэффициент, соотношение; 'на плаву'; рынок, на котором наблюдается тенденция к снижению курсов (акций); вследствие, в результате; полезность, выгодность; утечка; мошенничество.

Unit 6

Азартная игра, игра на деньги; страховое соглашение; денежная поддержка; необратимая потеря; перераспределять; предвидение; избегать последствий; управлять риском.

Unit 7

Part 1

Опасность, риск, угроза; трудности; срочное (временное страхование) жизни; страхование жизни на длительное время; страховое пособие, выплачиваемое по смерти застрахованного; установленный период времени;

продление (срока действия); иметь право быть избранным; выкупная стоимость (сумма, на которую имеет право страхователь в случае досрочного прекращения уплаты взносов); дивиденд (часть прибыли, распределяемая между акционерами); накапливать.

Part 2

Начальный страховой взнос; близлежащие цели; заплатить ссуду; экономичность, доступность по цене; премия, подлежащая уточнению; расходы; универсальное страхование жизни (сочетает срочное страхование и сбережение); гибкость; трудности; не облагаемый налогом, свободный от налога; лицо, получающее пенсию, страховую премию/пособие.

Unit 8

Полис страхования жизни; денежная выгода; единая денежная выплата; ежегодная рента; задолженность; пенсионер; страхование от нетрудоспособности; финансовые трудности; финансовая поддержка; закладная; преследовать судом, подавать в суд, предъявлять иск;

Unit 9

Страхование ответственности; юридическая защита; судебный процесс, иск; решение суда; брокер; выплата, компенсация; оценщик; страхование от должностного преступления; страхование от ошибок; работодатель; обязательное требование, преследовать судом, подавать в суд.

Unit 10

Страхование автотранспорта; транспортное средство; управлять транспортным средством; жертвы несчастного случая; пригодность; страхование автотранспорта независимо от виновника столкновения; в соответствии с; подробная смета; медицинская страховка; хорошо освещенная местность; установить сигнализацию;

противоугонное средство, обеспечивать безопасность, экстренный/запасной тормоз.

Unit 11

Избыточный, превышающий норму; страховое покрытие первой потери; неизбежный; вступить в силу; действительный; беда, неудача, несчастье; злоключение.

Unit 12

Различие, налог, взаимно-сберегательный банк, перестраховщик, акционерное общество, акционер, оценивать, долговое обязательство, цель, происходить от, дочерняя компания, брокер.

Unit 13

Неплатежеспособный; спор, разногласие; гарантия безопасности; уменьшать; подвергать риску; невыгодные условия; консультировать.

Unit 14

Отказ в страховом покрытии, в выдаче ссуды; вероятность; кредитные счета; семейное положение; политические дебаты; оценивать, давать оценку; платежеспособный; возможные страхователи; разумное объяснение, основная причина; здравый смысл; дефицит; назначать, запрашивать цену.

Unit 15

общий, совместный капитал; получать лицензию; лицо, получающее пенсию, страховую премию/пособие; дополнительный доход к пенсии; ежегодный доход (аннуит); решать проблемы; контроль; клиентура; брокерская фирма.

Unit 16

Занятие, работа; принимать на работу; главное управление, центральный орган (какой-либо организации); увольняться; объем продаж; расширять бизнес; объединение, укрупнение; испытывать недостаток времени и знаний; жалованье, заработная плата; соглашение, сделка.

Bibliography:

1. Insurance: Principles and Practice. Compiled by David Bland. - The Chartered Insurance Institute, Great Britain, 1993.
2. Страхование: принципы и практика/ Составитель Дэвид Бланд: Перевод с англ. – М.: Финансы и статистика, 1998. – 416 с.: ил.
3. Совершенствуйте свой английский: Учебное пособие для ин-тов и фак.иностр.яз./ Э.П.Ельникова, З.В.Зарубина, Л.А.Кудрявцева, М.Ф.Ширманова. - 2-е изд. испр. и доп.- М.: Высш.шк., 1988.-271 с.: ил.
4. English Grammar in Use by Raymond Murphy. Cambridge, 2004.
5. Krylova I.P. A Grammar of Present day English. Practical course.-М., 2000.
6. Longman Dictionary of Contemporary English, 2000.
7. <http://en.wikipedia.org/wiki/Insurance>
8. www.insuranceagent.com
9. www.lingvo.ru

Москвина Елена Александровна

Учебное пособие

Подписано в печать 22.01.08. Формат 60*84 1/16

Уч. - изд.л. 3,8. Усл.печ.л. 4,18. Печать офсетная.

Тираж 50 экз. Заказ №

Типография Удмуртского государственного университета
426034, Ижевск, Университетская,1, корп.4.