B1 Business English – Insurance Vocabulary

Student Worksheet

Vocabulary

Word / Phrase	Type	Definition
indemnity	noun	The principle that insurance restores you to the same financial position as before a los
loss adjuster	noun	A professional who investigates and assesses the value of an insurance claim
no-claims bonus	noun	A discount on your premium if you have not made any claims
material fact	noun	Important information that must be declared when applying for insurance
lapse	verb / noun	When a policy ends because the premium has not been paid
subrogation	noun	The right of an insurer to pursue a third party after paying a claim
take out	phrasal verb	To arrange and begin an insurance policy
pay out	phrasal verb	When an insurer pays money following a successful claim
opt out	phrasal verb	To choose not to be included in an insurance scheme
cover note	noun	A temporary document proving you have insurance while your full policy is being proc

Exercise 1: True or False

Read each sentence. Write True or False on the line.

1. Indemnity means the insurer pays you more than you lost so you are better off.
   Answer: ________________

2. A loss adjuster works for the insurer to assess the value of a claim.
   Answer: ________________

3. A no-claims bonus increases your premium if you have not made a claim.
   Answer: ________________

4. A material fact is information you can choose not to share with your insurer.
   Answer: ________________

5. If a policy lapses, it means it has ended because the premium was not paid.
   Answer: ________________

6. Subrogation gives the insurer the right to pursue a third party after paying a claim.
   Answer: ________________

Exercise 2: Multiple Choice

Circle the correct answer.

1. When you ________ a policy, you arrange and begin your insurance cover.
a) opt out b) pay out c) take out d) lapse

2. The insurance company agreed to ________ after the claim was approved.
a) opt out b) pay out c) take out d) subrogation

3. He received a _______ because he had not made any claims for five years.
a) cover note b) lapse c) material fact d) no-claims bonus

4. The _______ visited the property to assess the flood damage.
a) indemnity b) loss adjuster c) subrogation d) cover note

5. She was given a _______ as temporary proof of insurance while she waited for her documents.
a) material fact b) lapse c) cover note d) no-claims bonus

6. Failing to declare a _______ when applying for insurance can make your policy invalid.
a) cover note b) indemnity c) material fact d) subrogation

Exercise 3: Matching

Match each word (1-6) with its definition (a-f). Write the letter on the line.

1. indemnity ___	a. to choose not to be included in an insurance scheme
2. lapse ___	b. a temporary document proving you have insurance
3. subrogation ___	c. when an insurer pays money after a successful claim
4. opt out ___	d. the right of an insurer to pursue a third party after paying
5. pay out ___	e. when a policy ends due to non-payment of the premium
6. cover note ___	f. the principle that insurance returns you to your pre-loss position

Exercise 4: Gap Fill

Choose a word or phrase from the box to complete each sentence.

indemnity	no-claims bonus	loss adjuster	take out	lapse	material fact

1. The principle of _______________ means your insurer will not pay you more than your actual loss.

2. If you do not pay your premium on time, your policy may _______________.

3. She decided to _______________ a new travel insurance policy before her trip.

4. The _______________ spent two days examining the damage to the building.

5. Failing to declare a _______________ when applying could make your policy void.

6. After ten years without a claim, his _______________ reduced his premium significantly.

Exercise 5: Word Order

Put the words in the correct order to make a sentence.

1. policy / She / out / new / took / a / health

-> ____

2. bonus / no-claims / his / He / lost / after / claim / the

-> ____

3. adjuster / The / loss / claim / the / assessed

-> ____

4. premium / policy / lapsed / the / because / The / unpaid / was

-> ____

5. out / He / scheme / opted / the / company / of / pension

-> ____

Exercise 6: Word Sort

Write each word or phrase in the correct column.

indemnity   subrogation   take out   pay out   opt out   lapse   no-claims bonus   cover note

Nouns / Concepts	Verbs / Actions

Exercise 7: Complete the Conversation

Choose a word or phrase from the box to fill each gap.

take out   cover note   material fact   loss adjuster   pay out   no-claims bonus

Agent:	Good afternoon. Are you looking to _______________ a new policy today?
Client:	Yes. I also need something immediately - can you give me a _______________ while I wait for the documents?
Agent:	Of course. I should mention that you must declare every _______________ honestly when you apply.
Client:	Understood. I had a claim last year. Will that affect my _______________?
Agent:	It may reduce it, yes. If a claim is approved, we will _______________ within ten working days.
Client:	And if there is a dispute about the value, does a _______________ get involved?
Agent:	Yes, we would send one to assess the situation independently.

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Exercise 1: True or False

1. False
2. True
3. False
4. False
5. True
6. True

Exercise 2: Multiple Choice

1. c) take out
2. b) pay out
3. d) no-claims bonus
4. b) loss adjuster
5. c) cover note
6. c) material fact

Exercise 3: Matching

1. f
2. e
3. d
4. a
5. c
6. b

Exercise 4: Gap Fill

1. indemnity
2. lapse
3. take out
4. loss adjuster
5. material fact
6. no-claims bonus

Exercise 5: Word Order

1. She took out a new health policy.
2. He lost his no-claims bonus after the claim.
3. The loss adjuster assessed the claim.
4. The policy lapsed because the premium was unpaid.
5. He opted out of the company pension scheme.

Exercise 6: Word Sort

Nouns / Concepts: indemnity, subrogation, no-claims bonus, cover note
Verbs / Actions: take out, pay out, opt out, lapse

Exercise 7: Conversation

1. take out
2. cover note
3. material fact
4. no-claims bonus
5. pay out

6. loss adjuster