Insurance English: Damage Assessment – B2

English for Insurance Professionals | Upper Intermediate

Name: ___________________________	Date: _____________	Score: _____ / 56

Note: Exercise 8 (Listening) is completed using the interactive online lesson only.

Vocabulary

Term	Meaning	Example
liability	legal responsibility for loss or damage suffered by another party	"We are investigating whether liability rests with the upstairs neighbour."
indemnity	the principle that insurance restores the policyholder to the same financial position as before the loss	"The principle of indemnity means we cannot pay more than the actual loss."
loss adjuster	an independent professional appointed to investigate a claim and recommend a settlement figure	"A loss adjuster has been appointed and will contact you within forty-eight hours."
subrogation	the right of the insurer to pursue a third party that caused the loss, after paying the claim	"Once we settle your claim, our right of subrogation allows us to recover costs from the responsible party."
reinstatement value	the cost of rebuilding or replacing a damaged item with a new equivalent	"The policy covers the full reinstatement value of the property, not its market value."
proximate cause	the primary or most direct cause of the loss or damage	"We need to establish the proximate cause of the damage before we can confirm cover."
betterment	an improvement beyond the original condition, which the insurer may deduct from a settlement	"A deduction for betterment may apply if the repair results in an improvement on the original."
depreciation	a reduction in the value of an item due to age, wear or condition	"Depreciation has been applied to the flooring as it was already ten years old."
without prejudice	a phrase indicating that an offer or communication cannot be used as an admission of liability	"This offer is made without prejudice and does not constitute an acceptance of liability."
mitigation	the duty of the policyholder to take reasonable steps to reduce or prevent further loss	"Your obligation of mitigation requires you to take immediate steps to prevent further damage."
causation	the relationship between the event that occurred and the damage that resulted	"We need to confirm causation — that the flood directly caused the ceiling collapse."
policy schedule	the document that sets out the specific details of a particular insurance policy	"Please refer to your policy schedule for the exact terms and conditions that apply."

endorsement	an amendment or addition to an insurance policy that changes its terms	"An endorsement was added to your policy last year extending cover to outbuildings."
repudiate	to formally reject a claim on the grounds that the policy does not cover the loss	"We are not in a position to repudiate the claim at this stage, but we require further evidence."
settlement	the final agreed payment made by the insurer to resolve a claim	"We aim to reach a settlement within fifteen working days of the report being received."

Exercise 1 - True or False?

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

1. The principle of indemnity means the insurer can pay more than the actual financial loss. ____________

2. A loss adjuster is an independent professional appointed to investigate a claim. ____________

3. Subrogation gives the insurer the right to pursue a third party after settling a claim. ____________

4. Betterment refers to a reduction applied when a repair results in an improvement on the original condition. ____________

5. The proximate cause of a loss is the most indirect and remote reason it occurred. ____________

6. A policy schedule sets out the specific details and terms of an individual insurance policy. ____________

7. Without prejudice means the insurer accepts full liability for the claim. ____________

8. Mitigation is the duty of the policyholder to take steps to prevent further loss. ____________

Exercise 2 - Multiple Choice

Circle the correct word or phrase.

1. The insurer has invoked ___, meaning they will pursue the neighbour whose pipe caused the flood.

depreciation / endorsement / subrogation / betterment

2. A deduction for ___ has been applied as the damaged carpet was twelve years old.

mitigation / causation / settlement / depreciation

3. The ___ adjuster's report concluded that the proximate cause was a failed pipe joint.

policy / liability / loss / without prejudice

4. We need to establish ___ between the burst pipe and the structural damage to the ceiling.

endorsement / repudiation / indemnity / causation

5. The offer made at this stage is ___ and does not constitute an admission of liability.

reinstatement / without prejudice / subrogation / betterment

6. Your policy schedule shows that an ___ was added six months ago extending cover to the loft.

settlement / indemnity / mitigation / endorsement

7. The claim has been assessed on the basis of ___ value, not the current market price.

causation / betterment / reinstatement / depreciation

8. We reserve the right to ___ the claim if the evidence shows the damage predates the policy.

mitigate / subrogate / settle / repudiate

Exercise 3 - Matching

Match each term (1-8) with the correct description (A-H).

1. indemnity ___	A. A deduction applied where the repair or replacement leaves the claimant in a better position than before
2. proximate cause ___	B. The dominant and most direct cause of the loss to which the insurer responds
3. betterment ___	C. The insurance principle that a claimant should be restored to their pre-loss financial position, no more
4. subrogation ___	D. The transfer of the right to pursue a responsible third party from the claimant to the insurer after settlement
5. without prejudice ___	E. A legal term indicating that a communication or offer cannot be used as evidence of liability
6. repudiate ___	F. An independent specialist engaged to investigate the facts of a claim and recommend a fair settlement
7. mitigation ___	G. To formally decline a claim on the grounds that it falls outside the scope of the policy
8. loss adjuster ___	H. The obligation on the policyholder to take reasonable steps to minimise further loss

Exercise 4 - Gap Fill

Write the correct word or phrase in each gap. The answer is given in brackets.

1. The __________________ appointed to investigate the claim will visit the property on Wednesday. (loss adjuster)

2. A deduction for __________________ has been applied as the boiler was already fourteen years old. (depreciation)

3. We need to confirm __________________ between the escape of water and the damage to the floor below. (causation)

4. The offer of eight thousand pounds is made __________________ and does not constitute an acceptance of liability. (without prejudice)

5. Your duty of __________________ requires you to take immediate steps to prevent the damage from spreading. (mitigation)

6. Once the claim is settled, we will exercise our right of __________________ against the contractor whose work failed. (subrogation)

7. Please check your __________________ schedule to confirm whether outbuildings are included in your cover. (policy)

8. A deduction for __________________ may apply if the replacement roof is of a higher specification than the original. (betterment)

Exercise 5 - Word Order

Put the words in the correct order to make a sentence. These sentences are complex — read carefully.

1. adjuster / their / established / submitted / loss / liability / formal / be / has / the / report / until / cannot

____

2. the / initially / should / subject / may / be / claim / revision / more / the / than / to / damage / prove / assessed / extensive

____

3. may / the / to / Any / of / further / mitigate / your / claim / loss / failure / outcome / affect

____

4. exceeding / principle / a / settlement / loss / the / prohibits / of / actual / the / value / indemnity

____

5. Having / pursue / party / now / of / the / settled / the / claim / holds / negligent / the / subrogation / to / right / insurer

____

6. exceeds / applied / A / replacement / been / betterment / has / original / the / the / since / specification / deduction

____

7. is / does / admission / prejudice / made / of / not / liability / and / an / constitute / offer / This / without

____

8. under / the / has / proximate / been / cause / the / policy / having / insurer / confirmed / the / established / cover

____

Exercise 6 - Word Sort

Write each term in the correct column.

Terms: settlement | repudiate | endorsement | loss adjuster | policy schedule | depreciation | indemnity | subrogation

Policy and Liability	Assessment and Settlement
__________________	__________________
__________________	__________________
__________________	__________________
__________________	__________________

Exercise 7 - Complete the Conversation

Choose the correct word or phrase to complete each gap.

Claims Handler: Good afternoon, Mr Patel. I am calling regarding your claim. We have now received the __________________ adjuster's report.

(policy / without prejudice / loss / liability)

Customer: Finally. What does it say?

Claims Handler: The report confirms that the __________________ cause of the damage was a failed pipe joint in the property above yours.

(settlement / policy / without prejudice / proximate)

Customer: So my claim is covered?

Claims Handler: In principle, yes. However, a deduction for __________________ has been applied to the flooring, as it was already eleven years old.

(depreciation / endorsement / subrogation / indemnity)

Customer: I am not happy about that. Can you explain the deduction further?

Claims Handler: Of course. The principle of __________________ means we restore you to your pre-loss position. We cannot fund an improvement on what you had before.

(indemnity / mitigation / causation / repudiation)

Customer: What about the neighbour upstairs? Will they have to pay anything?

Claims Handler: Once we settle your claim, we will exercise our right of __________________ and pursue them for the costs.

(subrogation / without prejudice / betterment / endorsement)

Customer: And what is the next step?

Claims Handler: I will send you a written offer of __________________ by email today. The offer is made __________________ and does not constitute an admission of liability on our part.

(indemnity / subrogation / repudiation / betterment / causation / depreciation / settlement / without prejudice)

TEACHER ANSWER KEY - DO NOT DISTRIBUTE TO STUDENTS

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Teacher Answer Key

Note: Exercise 8 (Listening) is online only and not included in this PDF.

Exercise 1

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

Exercise 2

1. subrogation
2. depreciation
3. loss
4. causation
5. without prejudice
6. endorsement
7. reinstatement
8. repudiate

Exercise 3

1. indemnity -> C
2. proximate cause -> B
3. betterment -> A
4. subrogation -> D
5. without prejudice -> E
6. repudiate -> G
7. mitigation -> H
8. loss adjuster -> F

Exercise 4

1. loss adjuster
2. depreciation
3. causation
4. without prejudice

5. mitigation
6. subrogation
7. policy
8. betterment

Exercise 5

1. Liability cannot be established until the loss adjuster has submitted their formal report
2. Should the damage prove more extensive than initially assessed the claim may be subject to revision
3. Any failure to mitigate further loss may affect the outcome of your claim
4. The principle of indemnity prohibits a settlement exceeding the actual loss value
5. Having settled the claim the insurer now holds the right of subrogation to pursue the negligent party
6. A betterment deduction has been applied since the replacement exceeds the original specification
7. This offer is made without prejudice and does not constitute an admission of liability
8. The proximate cause having been established the insurer has confirmed cover under the policy

Exercise 6

Policy and Liability: indemnity, policy schedule, endorsement, repudiate

Assessment and Settlement: loss adjuster, depreciation, subrogation, settlement

Exercise 7

Claims Handler: loss

Claims Handler: proximate

Claims Handler: depreciation

Claims Handler: indemnity

Claims Handler: subrogation

Claims Handler: settlement / without prejudice