



## TYPES

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- **SELF – INSURANCE** is insurance of oneself or one's interests by maintaining a fund to cover possible losses rather than by purchasing an insurance policy.
- **COINSURANCE** is the amount, generally expressed as a fixed percentage, an insured must pay against a claim after the deductible is satisfied.
- **DUAL/DOUBLE INSURANCE** is when the same risk is insured by two overlapping but independent insurance policies. It is lawful to obtain double insurance, and the insured can make claim to both insurers in the event of a loss because both are liable under their respective policies. The insured, however, cannot profit (recover more than the loss suffered) from this arrangement because the insurers are law bound only to share the actual loss in the same proportion they share the total premium. It is also called dual insurance.
- **REINSURANCE** is a process whereby one entity (the reinsurer) takes on all or part of the risk covered under a policy issued by an insurance company in consideration of a premium payment. In other words, it is a form of an insurance cover for insurance companies.