

Watch Your Language

By Phyllis Van Wyhe, CPCU, CIC, CSP
www.insurancece.com

In 1973 George Carlin presented his popular comedy act at Summerfest, the lakefront music festival held annually in Milwaukee, Wisconsin. His performance made the national news the next day. When Carlin began his routine “The Seven Words You Cannot Say On Television,” Milwaukee police arrested him. Carlin learned one cannot say those words in Milwaukee either.

Television has changed a great deal in the past 25 years. Most of words on Carlin’s prohibited list can now be seen on the small screen. Insurance has also changed during the past two decades. There are now seven words an insurance professional should avoid:

- 1. Workmans Compensation**

In an attempt to become politically correct and acknowledge the fact that men are not the only ones to work, this term was changed to Workers Compensation. No one objected to the change; it is easier to say Workers Compensation.

- 2. Longshoreman and Harbor Workers**

While Workmans Compensation was changed in the 1970’s, it took another 20 years before we changed this one to Longshore and Harbor Workers.

- 3. All Risk**

The industry gave this one up very reluctantly and has never come up with a good replacement. “Special Cause Of Loss” is a poor replacement. The industry will probably settle on “Open Perils”; but it certainly does not have the sex appeal of “All Risk”.

- 4. Comprehensive**

Comprehensive is a word that is quietly being dropped from insurance contracts:

- Auto policies used to offer Collision and Comprehensive. Today they provide Collision and Other Than Collision.
- In the 1980’s the industry changed the Comprehensive General Liability policy to the Commercial General Liability policy. Many people never noticed; it was still the CGL.

- In the homeowners policy the coverage that was once titled Comprehensive Personal Liability has been shortened to simply Personal Liability.

5. Full Coverage

“You have liability only on the Buick, but you have full coverage on the Ford.” Have you come up with a good substitute for the term “full coverage?” Many industry veterans miss this phrase a great deal.

6. Guaranteed

Ten years from now we will look back on Guaranteed Replacement Cost and shake our heads. How could we have ever used that word?

7. Umbrella

We all know the difference between an umbrella and an excess liability policy. But, increasingly, companies that provide umbrella coverage are titling the policy “Excess Liability.” They do not want to give the impression that everything is covered under the umbrella.

These are some of the terms the insurance industry is giving up. In addition there are terms an agent should use only with extreme care. For example, the term “Paid Up.” This term can legitimately be used when describing one of the settlement options of a Whole Life Policy, but should never be used when discussing a Vanishing Premium Life proposal.

The insurance industry has changed some terminology in an attempt to become politically correct. But, most of the language changes have been made because of the unrealistic expectations that are elicited by certain terminology. What do people expect when they see the phrase Guaranteed Replacement Cost on the declarations page of a policy? What do they have the right to expect?

Old habits are hard to change and inappropriate terms linger long after everyone admits they are dangerous. It takes a concerted effort to eradicate them from daily usage. Every agent should make that effort.

This article is excerpted from the book E&O Issues, written by Phyllis Van Wyhe, CPCU, CIC.