

## **330.1 - Definition Under Liability Insurance**

**(Rev. 4, 10-01-01)**

- Liability Insurance is insurance (including a self-insured plan) that provides payment based on legal liability for injuries or illness or damages to property. It includes, but is not limited to, automobile liability insurance, uninsured and under-insured motorist insurance, homeowners' liability insurance, malpractice insurance, product liability, insurance and general casualty insurance. It also includes payments under State wrongful death statutes that provide payment for medical damages.

**NOTE:** This provision does not apply when the homeowner receives payment under his/her own homeowners' insurance policy, since such a payment does not constitute a liability insurance payment.

- A Self-Insured Plan is a plan under which an individual or other entity is authorized by State law to carry its own risk instead of taking out insurance with a carrier. Authorized by State law means not prohibited by State law. The plan established for the Federal government under the Federal Tort Claims Act is also a self-insured plan.
- Uninsured Motorist Insurance is a liability insurance plan under which the policyholder's insurer pays for damages caused by a motorist who has no automobile liability insurance or who carries less than the amount of insurance required by law.
- Under-Insured Motorist Insurance is optional liability insurance available in some jurisdictions under which the policyholder's level of protection against losses caused by another is extended to compensate for inadequate coverage in the other party's policy or plan.
- An accident is any occurrence or activity that the individual believes resulted in injury or illness for which he/she holds another party liable.