

# What's an endorsement? Confusing insurance terms explained

Endorsements. No, we're not talking about a superstar endorsing a soft drink, a popular athlete displaying a sporting goods logo on their hat or jersey, or a celebrity behind the wheel of a luxury vehicle. In the insurance industry, an endorsement has a much less glamorous image, yet it serves a very important function.



When you purchase insurance for your home and auto, farm, or business, you will typically receive a base policy that covers common risks like a fender bender, an employee's work injury, or property damage. Enhancements, restrictions, or changes that are made to the original policy document are considered endorsements, and are considered legal and binding.

## Some common types of insurance endorsements include:

### Added coverage

Say your business is growing and you need to add a vehicle to your commercial fleet. Rather than write up an entirely new policy for a single vehicle, your agent would provide an endorsement to your existing policy to include the additional vehicle. Sometimes coverage is added at no cost as an enhancement to your existing policy, like roadside assistance.

### Exclusion

As the name suggests, an exclusion lists items that may be excluded from your coverage. As an example, some insurers will exclude dog bite coverage for homeowners who own a high-risk breed, or limit claims involving asbestos or lead paint for a business owner.

### Modification of coverage

Some endorsements expand an existing policy to increase a liability limit or property value. For example, a homeowner may need to increase their property coverage limit from \$100,000 to \$250,000 because of a building addition, renovation, or increased property value.

### Administrative changes

Perhaps you have a new mailing address — an endorsement is needed to make sure your policy information is up to date.

Not all endorsements are created equal. Talk with your independent agent if you have questions about your policy and any endorsements you may have or need. Make sure you're properly covered for when the unforeseen happens.