# POLICY MANUAL

A contract between an insurance policy holder and an insurer or assurer in which the insurer agrees to pay a specific beneficiary a certain amount of money upon the death of an insured person is known as life insurance (or life assurance, particularly in the Commonwealth of Nations) (often the policy holder). Other occurrences, such critical illness or terminal disease, may also result in payment, depending on the terms of the contract. A premium is normally paid by the policyholder, either on a regular basis or all at once. Other costs, such burial costs, could be covered by the benefits.

Because life insurance plans are contracts, their terms specify the exclusions that apply to the insured occurrences. The liability of the insurer is frequently limited by explicit exclusions spelled out in the contract; typical examples include claims involving suicide, fraud, war, riot, and civil unrest. When an event is not precisely defined, problems may occur. For instance, suppose the insured deliberately accepted a risk by submitting to an experimental medical procedure or by ingesting a drug that could cause harm or death.