

Things to Know

Aleatory – values exchanged are unequal...element of chance

Adhesion – contract drawn up by one party, not negotiable

Unilateral – promises of only one party are enforceable

Conditional – the insured event may never occur

Valued or Indemnity -

Utmost Good Faith

Insurable Interest – must have financial loss; only at inception

Not Personal – ownership does not affect risk

Representations – best of one's knowledge

Misstatement of age/sex – company adjusts the benefit or premium

STOLI or IOLI - important