



# INSURANCE GLOSSARY

## Waste Collection & Recycling Companies

*A plain-language guide to the insurance terms you need to know*

### GENERAL INSURANCE TERMS

Term	What It Means
<b>Premium</b>	The amount you pay (monthly, quarterly, or annually) to keep your insurance policy active. Think of it as the cost of your coverage.
<b>Deductible</b>	The amount you pay out of your own pocket before your insurance kicks in on a claim. For example, if you have a \$2,500 deductible and a \$10,000 claim, you pay \$2,500 and the insurance pays \$7,500.
<b>Policy</b>	The written contract between you and the insurance company. It spells out what is covered, what is not covered, how much you pay, and the rules both sides agree to follow.
<b>Claim</b>	A formal request you make to your insurance company asking them to pay for a loss or damage that your policy covers.
<b>Coverage / Limit</b>	The maximum dollar amount your insurance company will pay for a covered loss. For example, a \$1,000,000 liability limit means the insurer will pay up to that amount for a single covered event.
<b>Endorsement (Rider)</b>	An add-on or change to your policy that modifies what is covered. Endorsements can add coverage, remove coverage, or change the terms of your existing policy.
<b>Exclusion</b>	Something your policy specifically does not cover. For example, most general liability policies exclude pollution-related claims.
<b>Certificate of Insurance (COI)</b>	A one-page document that proves you have insurance. Customers, cities, and counties often require a COI before they will do business with you or award you a contract.
<b>Additional Insured</b>	A person or company (other than you) who is added to your policy for protection. Cities and commercial customers often require that they be listed as additional insureds on your policy.
<b>Named Insured</b>	The person or business specifically named on the policy as the policyholder. This is typically your company name.

Term	What It Means
<b>Underwriting</b>	The process the insurance company uses to evaluate your business and decide whether to offer coverage, and at what price. They review your operations, fleet, claims history, and experience.
<b>Binder</b>	A temporary proof of insurance that provides coverage until the full policy is issued. It acts as a short-term guarantee that you are covered.
<b>Occurrence</b>	A single event or accident that causes damage or injury. Most liability policies are written on an occurrence basis, meaning they cover incidents that happen during the policy period.
<b>Aggregate Limit</b>	The maximum total amount your insurer will pay for all claims combined during your policy period (usually one year). Once you hit this limit, no more claims are paid under that policy.
<b>Per Occurrence Limit</b>	The maximum amount paid for any single incident or event. This is different from the aggregate, which is the total for all events combined.
<b>Loss Run</b>	A report from your current or past insurance companies showing your claims history. New insurers will ask for this when quoting your coverage, usually going back three to five years.

## COMMERCIAL AUTO & TRUCKING INSURANCE

Term	What It Means
<b>Commercial Auto Liability</b>	Coverage that pays for bodily injury or property damage you cause to others in an accident involving your business vehicle. This is required by law in every state.
<b>Physical Damage Coverage</b>	Insurance that pays to repair or replace your own vehicles if they are damaged. It includes two parts: collision coverage and comprehensive coverage.
<b>Collision Coverage</b>	Pays to repair or replace your vehicle if it is damaged in an accident with another vehicle or object, regardless of who is at fault.
<b>Comprehensive Coverage</b>	Pays for damage to your vehicle caused by things other than a collision, such as theft, fire, vandalism, hail, flood, or falling objects.
<b>Combined Single Limit (CSL)</b>	A single dollar amount that covers both bodily injury and property damage in one limit. For example, a \$1,000,000 CSL means up to \$1M total for all damages from one accident.
<b>MCS-90 Endorsement</b>	A federally required endorsement for trucks operating in interstate commerce. It guarantees that the insurer will pay claims to injured third parties even if the policy would otherwise not cover the loss.

Term	What It Means
<b>Motor Carrier Filing (BMC-91)</b>	Proof of insurance filed with the Federal Motor Carrier Safety Administration (FMCSA) showing that your trucking operation carries the minimum required liability coverage.
<b>Hired and Non-Owned Auto</b>	Coverage for accidents that happen when your employees use rental vehicles or their personal vehicles for company business, such as running errands or traveling between job sites.
<b>Garagekeepers Liability</b>	Coverage for damage to vehicles belonging to others while they are in your care, such as customer trucks being serviced in your maintenance shop.
<b>Scheduled Vehicle</b>	A specific vehicle listed on your policy by its year, make, model, and VIN number. Only scheduled vehicles are covered for physical damage.
<b>Radius of Operation</b>	The geographic distance from your base of operations that your vehicles travel. Insurance companies use this to assess risk. Local haulers (under 50 miles) typically get better rates than long-haul operators.
<b>Symbol Codes (1-19)</b>	Number codes on your auto policy that tell the insurer which vehicles are covered. For example, Symbol 1 means any auto, Symbol 7 means specifically described autos only, and Symbol 8 means hired autos.
<b>Trailer Interchange</b>	Coverage for trailers you do not own but are using under a written agreement with another company. Common when sharing roll-off trailers or containers between haulers.

## LIABILITY INSURANCE

Term	What It Means
<b>General Liability (GL / CGL)</b>	Also called Commercial General Liability. Covers claims from third parties for bodily injury, property damage, and personal injury arising from your business operations. Examples include a pedestrian injured during curbside pickup or damage to a customer's driveway.
<b>Completed Operations</b>	A part of general liability that covers claims for injury or damage that occurs after your work is finished. For example, if a container you placed causes damage after you leave the site.
<b>Products Liability</b>	Coverage for claims arising from products you sell or distribute. For recycling companies, this could apply to processed materials sold to third parties.
<b>Personal and Advertising Injury</b>	Coverage for claims like libel, slander, false advertising, or invasion of privacy. This is included in most general liability policies.

Term	What It Means
<b>Umbrella / Excess Liability</b>	A policy that provides additional coverage above the limits of your auto, general liability, and employer's liability policies. If a claim exceeds the limit on your primary policy, the umbrella kicks in to cover the rest.
<b>Professional Liability (E&amp;O)</b>	Also called Errors and Omissions insurance. Covers claims arising from professional advice or services you provide. Relevant for waste companies that offer consulting, compliance, or environmental assessment services.
<b>Employment Practices Liability (EPLI)</b>	Covers claims from employees alleging wrongful termination, discrimination, harassment, or other employment-related issues.
<b>Contingent Auto Liability</b>	Coverage that protects your company when you hire independent truckers or subcontractors who cause an accident while working for you. If their insurance is insufficient, your contingent auto liability can fill the gap.

## ENVIRONMENTAL & POLLUTION INSURANCE

Term	What It Means
<b>Pollution Liability Insurance</b>	Specialized coverage for claims related to the release of pollutants. Standard general liability policies exclude pollution, so this separate policy is critical for waste and recycling companies.
<b>Sudden and Accidental Pollution</b>	A pollution event that happens unexpectedly and without warning, such as a hydraulic line bursting on a garbage truck and spilling fluid on a roadway.
<b>Gradual Pollution</b>	Contamination that occurs slowly over time, such as chemicals leaching from a storage area into the soil or groundwater. This type of claim is more difficult and expensive to insure.
<b>Environmental Site Liability</b>	Coverage for pollution conditions at properties you own or operate, such as transfer stations, landfills, or recycling processing facilities.
<b>Transportation Pollution Liability</b>	Coverage for pollution events that occur while waste is being transported, such as a spill from an overturned truck or leaking container on a public road.
<b>Remediation / Cleanup Costs</b>	The expenses associated with cleaning up a pollution event, including soil removal, water treatment, and restoring the site to a safe condition. These costs can be extremely high.

## WORKERS' COMPENSATION & EMPLOYEE COVERAGE

Term	What It Means
<b>Workers' Compensation</b>	Insurance that pays for medical treatment and lost wages when an employee is injured or becomes ill because of their job. It is required by law in nearly every state.
<b>Experience Modification Rate (EMR / MOD)</b>	A number that compares your company's claims history to other similar businesses. A MOD of 1.0 is average. Below 1.0 means fewer claims (lower premium), above 1.0 means more claims (higher premium).
<b>Class Code</b>	A number assigned to your type of work that determines your workers' compensation rate. Waste collection and recycling operations are assigned high-risk class codes, which means higher premiums.
<b>Employer's Liability</b>	Coverage that is included with workers' compensation and protects you if an employee sues you for a work-related injury beyond what workers' comp pays. This is what your umbrella policy sits on top of.
<b>Return to Work Program</b>	A formal plan that helps injured employees get back to work in a modified or light-duty role while they recover. These programs can significantly reduce your workers' comp costs.

## PROPERTY & EQUIPMENT INSURANCE

Term	What It Means
<b>Commercial Property Insurance</b>	Covers your buildings, equipment, and business personal property against damage from fire, wind, theft, vandalism, and other covered events.
<b>Inland Marine Insurance</b>	Despite the name, this has nothing to do with boats. It covers equipment and property that moves around or is kept at locations you do not own, such as containers at customer sites, roll-off boxes, or compactors.
<b>Business Income / Business Interruption</b>	Pays for lost revenue and ongoing expenses if your business is forced to shut down temporarily because of a covered property loss, such as a fire at your transfer station.
<b>Equipment Breakdown</b>	Covers the cost of repairing or replacing equipment that fails mechanically or electrically, such as balers, sorters, conveyor systems, or compactors at your recycling facility.
<b>Replacement Cost vs. Actual Cash Value</b>	Replacement cost pays to replace damaged property with new property of the same kind. Actual cash value (ACV) pays the depreciated value, meaning what the item was worth at the time of loss. Replacement cost gives you more money but costs more in premium.
<b>Bailee Coverage</b>	Coverage for property belonging to others that is temporarily in your possession. For waste and recycling companies, this could cover customer-owned containers or materials you are processing.

## BONDS & REGULATORY TERMS

Term	What It Means
<b>Surety Bond</b>	A guarantee (not an insurance policy) that you will fulfill a contractual obligation. Many municipalities require waste haulers to post a surety bond before granting a hauling license or franchise agreement.
<b>Performance Bond</b>	A specific type of surety bond that guarantees you will complete a contract according to its terms. If you fail, the bond pays the municipality or customer for the cost of finding a replacement.
<b>Compliance</b>	Following all applicable laws, regulations, and permit requirements related to your waste hauling or recycling operations. Insurance companies want to see that you maintain compliance because it reduces risk.
<b>FMCSA</b>	The Federal Motor Carrier Safety Administration. This is the federal agency that regulates trucking operations, including commercial waste haulers that operate across state lines or above certain weight limits.
<b>DOT Number</b>	A unique identification number assigned by the U.S. Department of Transportation to commercial motor carriers. Required for trucks operating in interstate commerce or carrying certain types of waste.

## WASTE & RECYCLING INDUSTRY-SPECIFIC TERMS

Term	What It Means
<b>Transfer Station</b>	A facility where waste is temporarily held before being transported to a landfill or processing facility. Transfer stations have unique insurance risks including fire, pollution, and equipment breakdown.
<b>MRF (Materials Recovery Facility)</b>	Pronounced 'murf.' A specialized plant where recyclable materials are sorted, processed, and prepared for sale. MRFs have significant property, liability, and pollution risks.
<b>Roll-Off Container</b>	A large open-top dumpster (typically 10 to 40 cubic yards) that is loaded onto and off of a special truck using a hoist system. Common in construction debris, demolition, and commercial waste hauling.
<b>Front Load / Rear Load</b>	Types of garbage trucks. Front loaders pick up dumpsters from the front using hydraulic arms. Rear loaders are loaded from the back, either manually or with a cart tipper. The type of truck affects your insurance rate.
<b>Compactor</b>	A machine that compresses waste or recyclables to reduce volume. Can be stationary (at a facility) or mounted on a truck. Compactors represent a significant equipment investment and should be properly insured.

Term	What It Means
<b>Tipping Fee</b>	The charge assessed per ton of waste delivered to a landfill, transfer station, or processing facility. While not an insurance term, tipping fees are part of your cost of doing business and factor into your revenue calculations for business interruption coverage.
<b>Waste Stream</b>	The flow of waste from its source to its final disposal or recycling destination. Different waste streams (residential, commercial, industrial, hazardous) carry different insurance risk levels.
<b>Hauler Agreement</b>	A contract between a waste hauler and a property owner, municipality, or facility that spells out the terms of waste collection service, including insurance requirements, indemnification, and liability responsibilities.

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*This glossary is provided for educational purposes and general reference.  
For specific coverage questions or a quote tailored to your waste or recycling operation,  
contact a specialist who understands your industry.*