

Burnham's Insurance Dictionary

is copyrighted by

Raymond M. Burnham II, CPCU, CLU, CIC

AIS, API, AIC, AIM, ARM, AU, ALCM, AAI, APA, ARP, AIAF, AMIM, AAM, AIT, ARE, AFSB,
ASLI, ARC, ARM-P, ACP, LIA, CISR, RHU, REBC, CASL, ChFC, CRM

**The Burnham System
19 Everett Street
Southbridge, MA
01550**

**Phone: 1-888-BURNHAM (1-888-287-6426)
Fax: 1-888-329-2728**

Email: Ray@BurnhamSystem.com

Website: www.BurnhamSystem.com

Your comments and suggestions are encouraged.

Lumbar plexus

Lumbar plexus -- formed by the first four lumbar spinal nerves; provides motor and sensory functions to the lower abdominal wall, the external genitalia, and part of the lower extremities.

Lumbar vertebra -- is located in the small of the back.

Lumbarization -- occurs when the first sacral vertebra acts as a lumbar vertebra.

Lumen -- measures visible light flow.

Luminaire -- is a lamp or other type of lighting unit.

Lump sum -- is a one-time payment of all policy proceeds.

Lump sum estimates -- state one amount for all work.

Lump-sum contract -- is another term for fixed-price contract.

Lump-sum distribution -- refers to payment of the entire account balance during one tax year upon the participant's death, disability, termination of employment, or attainment of age 59½; is another term for lump-sum payment.

Lump-sum payment -- is another term for lump-sum distribution.

Lump-sum pension distribution bond -- guarantees pension plan payments.

Lump-sum tax -- is applied to all taxpayers equally, regardless of income.

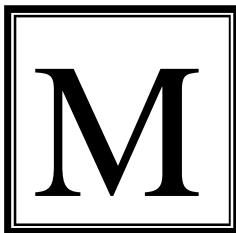
Lung volume -- is measured in four ways: tidal volume, inspiratory reserve volume, expiratory reserve volume, and residual volume.

Lungs -- are the breathing organs, extending from the collarbone to the diaphragm.

LUST -- abbreviates leaking underground storage tank.

Lymphocyte -- is a white blood cell that carries antibodies and fights germs.

LYON -- abbreviates liquidity yield option note.



m -- means the premium base is admissions.

M&M Proposition I -- is the proposition developed by Nobel laureates Franco Modigliani and Merton Miller that states that a firm's value is independent of that firm's capital structure; compare M&M Proposition II.

M&M Proposition II -- is the proposition developed by Nobel laureates Franco Modigliani and Merton Miller that states that a firm's cost of equity capital is a positive linear function of that firm's capital structure; compare M&M Proposition I.

M'Naghten rule -- is the traditional common law test for insanity, which holds that a defendant is not responsible if, at the time of the offense, he did not know the nature or consequences of his actions or did not know his act was wrong.

M+E -- abbreviates mortality and expense charge.

M1 -- equals the sum of all US currency and coin held by the public; travelers' checks issued by non-bank financial institutions; and checking accounts, NOW accounts, and Automatic Transfer Services at all commercial banks, credit unions, and thrift institutions; reflects money's function as a medium of exchange; compare M2, and M3.

M2 -- equals M1 plus small savings and time deposits, general-purpose and broker-dealer money market balances, short-term repurchase agreements, and overnight Eurodollar deposits issued to US residents by foreign branches of US banks; reflects money's function as a store of value; compare M1 and M3.

M3 -- equals M2 plus large time deposits, longer-term repurchase agreements, longer-term Eurodollar deposits held by US residents at foreign branches of US banks and all banks in the UK and Canada, and institution-only money market balances; reflects money's function as a store of value; compare M1 and M2.

Mac OS (Macintosh Operating System) -- is a graphical user interface (GUI) operating system that runs on Apple Macintosh com-

Mail coverage form

- puters.
- Macaulay's duration** -- is another term for bond duration.
- Machine control** -- is a device by which an operator manipulates an operation.
- Machine cycle** -- consists of one instruction cycle and one execution cycle.
- Machine language** -- is a binary code of 0s and 1s that a computer can recognize and understand; is another term for first-generation language.
- Machine tool** -- is a nonportable, power-driven machine used to shape and form metal.
- Machinery** -- includes high-value equipment.
- Machinery and equipment** -- injure inattentive, untrained, employees through the hazards of cutting mechanisms, in-running nip points, rotating mechanisms, forming and bending mechanisms, screw or worm mechanisms, and impact mechanisms.
- Machinery clause** -- limits payments for partial loss to machines that are cargo.
- Macintosh Operating System** -- is abbreviated Mac OS.
- MacPherson doctrine** -- eliminated the need for contractual privity between a product's manufacturer and its immediate buyer, any product user, and anyone within the area of the product's expected use; later extended to a product's repairer.
- Macro** -- is a single or shortened command that is programmed to issue a longer command sequence.
- Macro language** -- is another term for scripting language.
- Macroeconomic analysis** -- evaluates the current economy and its effect on market, industry, and company fundamentals.
- Macroeconomic model** -- forecasts the macroeconomic variables that affect a company.
- Macroeconomic theory** -- simplifies the details of economics to reveal the main underlying principles and relationships among important economic variables.
- Macro-hedging** -- hedges an entire portfolio.
- MACRS** -- abbreviates Modified Accelerated Cost Recovery System.
- Macular degeneration** -- is the loss of central vision with intact peripheral vision.
- MAGI** -- abbreviates modified adjusted gross income.
- Magnet** -- is a nearby attention-drawing organization's premises.
- Magnet location** -- is another entity that draws public attention to the organization (such as a major department store in a shopping mall or the ball park that draws fans to the hot dog vendor outside).
- Magnetic resonance imaging (MRI)** -- uses electromagnetic waves to create computerized images of the body's interior.
- Magnetic resonance imaging (MRI) equipment** -- is a typical form of medical equipment insured by an inland marine policy.
- Magnetic stripe card** -- contains access information on a magnetic stripe on the back of a plastic card.
- Magnetic tape** -- is plastic tape (Mylar) coated with magnetizable iron oxide; records data across the width of the tape in frames.
- Magnetic-ink character recognition (MICR) scanner** -- reads symbols printed in magnetic ink on source documents.
- Magnetic-stripe card** -- is a computer-readable card that has a stripe of magnetically coded data on its back.
- Magnetic-tape drive** -- records, erases, and reads data off of magnetic tape.
- Magnification** -- reveals other approaches to a problem by enlarging the applicability of and/or exaggerating the characteristics of a concept.
- Magnitude** -- is the total amount of energy released, measured on the Richter Scale.
- Magnitude estimation scaling** -- provides ratio measurement for management problems.
- Magnuson-Moss Warranty Act** -- requires the written warranty, if any, for a consumer product to disclose what is and is not covered, when it expires, whom it covers, what the warrantor will do if the product malfunctions, what service and parts are free, and how to obtain redress.
- MAIF** -- abbreviates Maryland Automobile Insurance Fund.
- Mail coverage form** -- insures first class mail, certified mail, USPS express mail, and reg-

Mail float

istered mail sent by banks, bankers, trust companies, insurers, security brokers, investment corporations, fiduciary businesses, and corporations acting as security transfer agents or registrars for their own security issues.

Mail float -- is the delay in mailing and receipt of the payment.

Mail insurance -- includes the mail coverage form and parcel post insurance.

Mail order system -- directly targets potential, 'above average' insureds.

Mail survey -- is a self-administered questionnaire sent by USPS or other courier.

Mailbox rule -- holds that an acceptance sent directly to the offeror is effective when it is sent, even if the acceptance is lost or delayed.

Mailed -- indicates that property has been sealed in a stamped, addressed envelope and surrendered to another for delivery.

Mail-order insurer -- sells policies by telephone, mail, E-mail, or TV.

Main deck -- is the highest deck extending the complete length and breadth of the vessel.

Main effect -- is one of two treatments in a two-way ANOVA; is the average direct influence a treatment has, independent of other factors.

Main home -- is another term for principal residence.

Main memory -- is another term for random access memory (RAM), memory, and primary storage.

Maine Medical Liability Demonstration Project -- lets doctors who voluntarily follow program guidelines introduce their compliance as an affirmative defense to a malpractice lawsuit.

Mainframe -- is another term for mainframe computer.

Mainframe computer -- is a water-cooled or air-cooled computer about the size of a car; is capable of great processing speeds and data storage; ranges in price from \$50,000 to \$5 million; supports the processing needs of hundreds or thousands of users and computer professionals; is smaller than a supercomputer but larger than a minicomputer.

Mainframe devices and systems -- are very powerful server devices and systems that work as real-time transaction processors.

Mainframe Era -- spans the 1950s to the 1970 and was dominated by mainframes, stand-alone applications, and databases.

Mainframe-based system -- uses terminals to access mainframe data and input new data; the individual terminals can not store or process data.

Maintainable -- describes a network that is easily serviced and repaired, either by the company or the vendor, but must still be protected from disaster and loss of power.

Maintenance -- includes an ill crew member's food and lodging until the end of the voyage plus expenses during any medical treatment; inspects and tests equipment to reduce hazardous malfunctions and faults.

Maintenance and cure -- is a sailor's implied contractual right to wages, transportation back to the home port, food and quarters to the end of the voyage, and medical treatment until no further improvement results.

Maintenance and housekeeping -- keep the workplace clean, dispose of waste safely, and provide proper washing, toilet, and eating facilities.

Maintenance bond -- guarantees that the contractor will correct any faulty workmanship and replace any defective materials within a specified time (usually one year) after the project is completed.

Maintenance contract -- states the service call response time, service costs, where and how service will be done, routine maintenance schedules, and contract term.

Maintenance coverage -- offers visits maintenance coverage and extended maintenance coverage.

Maintenance exclusion -- eliminates coverage for losses that can be prevented through ordinary maintenance or that are inevitable over time.

Maintenance factor -- is another term for hygiene factor.

Maintenance guarantee bond -- guarantees road construction projects.

Maintenance margin -- is another term for

Malingering

- maintenance margin percentage.
- Maintenance margin percentage** -- is the minimum amount of equity an investor can have as a percentage of a margin account; is often 75%.
- Maintenance of underlying coverages condition** -- is another term for maintenance of underlying insurance condition.
- Maintenance of underlying insurance condition** -- requires the insured to maintain scheduled primary liability policies during the policy period and to notify the umbrella insurer of any policy changes; if the underlying policy is not maintained, the umbrella pays as if it had been maintained.
- Maintenance period** -- is the time after contract completion during which the contractor guarantees the fitness of the work.
- Maintenance roles** -- sustain the group.
- Maintenance/performance standards guarantee** -- warranty materials and workmanship.
- Maintenance/warranty clause** -- is the clause that guarantees a contractor's work, promising correction of any defective work for a specified period of time.
- Maintenance-type benefits** -- are expected in every plan and do not contribute to productivity.
- Major life activities (under the 1992 Americans with Disabilities Act, ADA)** -- include seeing, hearing, walking, sitting, lifting, breathing, learning, and other such activities.
- Major line** -- includes such insurance lines as personal auto liability, personal auto physical damage, property, general liability, or workers' compensation).
- Major medical benefits for dental insurance** -- use deductibles and coinsurance with an annual maximum benefit and no out-of-pocket limit; the coinsurance level varies with the service levels to give more coverage to lower level (Level 1 vs Level 4) services.
- Major medical coverage** -- is another term for major medical expense insurance.
- Major medical expense insurance** -- covers high, unpredictable medical expenses up to a high lifetime aggregate limit, but often with a substantial deductible; is another term for catastrophe insurance policy.
- Major medical insurance** -- is another term for major medical expense insurance.
- Make-or-buy decision** -- decides whether to have software custom-written or buy it off-the-shelf.
- Making a market** -- means buying securities at an announced bid price and selling them at an announced asked price.
- Maladaptive coping mechanism for stress** -- does interfere with job performance; includes drug abuse, alcoholism, absenteeism, and workplace sabotage.
- Maladjustment to the sick role** -- occurs in people who can not relinquish control to doctors or who enjoy being sick.
- Malcolm Baldrige National Quality Award** -- is an international award recognizing quality companies.
- Male reproductive system** -- includes the testes, seminal vesicles, prostate, scrotum, and penis; see each.
- Maleus** -- is a bone inside the ear that is also called the hammer; see ossicles.
- Malfeasance** -- is intentional wrongdoing; compare misfeasance and nonfeasance.
- Malice** -- is evil intent.
- Malicious** -- described an act performed with evil intent.
- Malicious abuse of process** -- involves use of civil or criminal process for a use other than that for which it was intended; is another term for abuse of process.
- Malicious interference, with prospective economic advantage** -- involves malicious interference with commercial dealings or expected gifts or legacies through fraud, intimidation, or spreading false reports about another's honesty or solvency.
- Malicious prosecution** -- is the intentional, malicious institution of criminal proceedings without probable cause which are later terminated in the accused's favor.
- Malignant melanoma** -- is a dangerous skin cancer than can metastasize to other body parts.
- Malingering** -- involves delaying recovery

Malleus

from an illness or injury after a loss or fabricating an illness or injury.

Malleus -- a small bone extending across the middle ear that (with the incus and stapes) transmits sound waves from the eardrum to the inner ear

Malpractice -- is the failure of a professional to use the standard of care expected in his profession, in effect, another term for professional liability.

Malpractice liability -- arises from the professional's legal obligation to practice his profession according to the standards of his profession in terms of knowledge, skill, and performance.

Malpractice pool -- protects only professional liability exposures.

Mal-union -- occurs when bone fragments reunite poorly or with another bone.

MAN -- abbreviates metropolitan area network.

Manageable -- describes a network that is easily controlled and directed to support the company's needs.

Managed care -- refers to any medical expense plan that contains costs by controlling participants' behaviors.

Managed care organization (MCO) -- is a health-care system designed to control costs while ensuring quality care.

Managed care plan -- controls medical costs by negotiating agreements with health care providers and controlling access to care and care utilization.

Managed care program -- encourages health care providers to control the degree of utilization of medical services; is available mainly through an HMO, traditional medical expense insurance, or a PPO arrangement.

Managed competition -- is a philosophy for national health insurance based on the idea that competition for medical expense insurance should be based on price rather than on the risk characteristics of those needing coverage.

Managed exchange rate -- is another name for managed float exchange rate.

Managed float exchange rate -- is an exchange rate system in which participating

countries agree to intervene in exchange markets whenever the trade balance of one participant moves out of balance.

Managed long-term care network -- offers its members a continuum of care by joining the forces of LTC service providers, hospitals, nursing homes, and traditional HMOs.

Management -- means either the process of accomplishing goals through others or the group of people who accomplish goals through others, i.e., who direct an organization; oversees the five management functions of planning, organizing, staffing, supervising, and controlling.

Management ability -- applies appropriate administrative tools to decide what to do and to make sure it gets done.

Management accounting -- prepares financial reports for internal use.

Management asset valuation -- groups and values assets according to their degree of productivity or business importance; is used to measure the insurer's going-concern value.

Management by exception -- emphasizes results that fall below standards in order to improve overall results by changing what was done; should also emphasize results that exceed standards in order to improve overall results by copying what was done.

Management by objectives (MBO) -- has managers and employees jointly set the employee's goals and provides feedback to each employee; has three steps: the manager and his supervisor meet and set specific goals to be achieved by the manager before the manager's next evaluation; the supervisor monitors, but does not become involved in, the manager's achievement of his goals; and at the end of the period, the manager and his supervisor evaluate how well the manager met his goals and then set new goals for the next period.

Management by visible numbers' -- occurs when measurements are based on the information available within their current systems.

Management by walking around -- is another term for management by walking around.

Management science

- Management by wandering around (MBWA)** -- involves top managers keeping in touch by walking around and chatting with employees.
- Management company** -- is a type of investment company.
- Management continuity provision** -- establishes a hierarchical management chain and cross-functional roles.
- Management contract** -- gives its management group a percentage of net written premiums for its management services.
- Management culture** -- is the shared beliefs, philosophies, attitudes, norms, and values of a firm's management.
- Management development** -- trains employees for management and supervisory tasks.
- Management Discussion and Analysis** -- of the NAIC Annual Statement is a narrative of the insurer's financial position and operations; addresses all material changes, trends, and events.
- Management education** -- involves formal academic study ... a well-defined program of study focusing on current research and theory.
- Management expense** -- refers to commission income lost when a producer spends time managing instead of selling.
- Management expense classifications** -- are more detailed than NAIC operating expense classifications because managers use the information from expense accounting to create and to evaluate business plans and budgets, to price policies and services, and to justify prices to customers and regulatory authorities.
- Management experience** -- involves developing valuable insights on-the-job while facing the pressures and challenges of working up the corporate ladder.
- Management fee** -- guarantees the intermediary a minimum annual fee after commissions.
- Management fee expenses** -- are subject to a complex expense allocation rule for the Insurance Expense Exhibit.
- Management functions** -- include planning, organizing, staffing, directing, coordinating, reporting, and budgeting.
- Management information** -- consists of data that have been organized by information management.
- Management information system (MIS)** -- is a (now outdated) software application that provides information to managers and processes transactions for operational departments; is a computer-based information system that turns company-wide data into routine performance reports; functions as a decisional aid for middle managers; produces summary reports, exception reports, periodic reports, and on-demand reports.
- Management information systems (MIS) department** -- obtains, processes, and stores information about the insurer's transactions and maintains the insurer's computer system; is another term for information services (IS) department.
- Management letter** -- is written by an auditor to inform an organization's management of weakness in the firm's internal controls system and to recommend improvements in the system.
- Management Position Description Questionnaire (MPDQ)** -- has incumbent managers rate their own jobs by 208 items.
- Management process** -- includes planning, decision making, organizing, leading, and controlling.
- Management question** -- is a general problem that prompts a manager's research.
- Management report** -- is written for non-technically oriented clients and concentrates on research findings and conclusions; presents information accurately, using an easy-to-understand format.
- Management reporting** -- gives managers timely, accurate, and concise information they use to plan, direct, lead, and measure progress toward corporate goals.
- Management risk** -- is the internal intermediary risk that includes poor planning and budgeting, unresponsiveness to operational issues and crises, poor interpersonal relationships, and poor leadership.
- Management science** -- develops mathematical models for quantitative management.

Management science theory

Management science theory -- applies numerical techniques to management problems and decisions.

Management services organization (MSO) -- provides practice management, administrative services, and support to healthcare providers.

Management succession and development planning -- is the systematic process of defining future management requirements, locating candidates, and matching that demand and supply as part of strategic business planning.

Management's discussion and analysis (MD+A) -- is the narrative section of a 10K that summarizes the firm's activities for the year and includes information on its financial condition and the results of its operations.

Management's statement of responsibility -- explains that the responsibility for the financial statement rests with the firm's management.

Management-science system -- builds models to examine, improve, and predict marketing activities.

Manager -- appoints employees to perform emergency operations, approves plans, ensures that coordinators perform their duties, and prevents operations disruptions.

Managerial accounting -- reports financial information within the organization to monitor a firm's performance factors and refine its business plan to reflect those results.

Managerial climate of organization -- is another term for managerial style of organization.

Managerial commission -- is a percentage of the premium or the profits on policies placed with the insurer through the managing general agency.

Managerial decision -- specifies how to implement a risk management technique; is a decision, often a line decision, made by a manager.

Managerial elements (of the strategic service concept) -- include the service encounter, the quality, the managing capacity and demand, and the information.

Managerial ethics -- are standards of business conduct and morality used by managers and organizations in their businesses.

Managerial finance -- is the stewardship of a business's financial affairs through the services of a financial manager.

Managerial grid theory of leadership -- graphs managerial styles on a two-dimensional grid which plots concern for production (horizontal axis) and concern for people (vertical axis); its goal is to move to team (9,9,) leadership.

Managerial help -- is provided by a consultant who helps oversee a project.

Managerial information -- is used by managers to plan, organize, lead, and control organizational activities.

Managerial integrator -- is a separate manager who coordinates related work that involves several functional departments; managerial integrators usually lack formal line authority.

Managerial job analysis procedure -- analyzes managerial jobs.

Managerial level information -- is used by managers to control and monitor operational level activities.

Managerial maturity -- refers to managerial abilities that develop as the business ages.

Managerial motivation -- is the energizing of employees to seek organizational goals.

Managerial risk management activity -- is related to managerial decisions and is performed by managers other than the risk manager who influences those managers using his staff authority.

Managerial role -- is an organized set of behaviors associated with a management office or position; managerial roles include interpersonal roles, informational roles, and decisional roles.

Managerial skills -- include human (interpersonal) skills, technical skills, conceptual skills, diagnostic skills, and analytical skills; see each.

Managerial style of organization -- is determined by the organization's goals, values, emphases, and attitudes about accountability, authority, and communication.

Manic episode

- Managerial system** -- is a career path designed for managers; is another term for branch of office system.
- Managing** -- plans, organizes, directs, and controls the activities of an organization.
- Managing agent** -- runs a Lloyd's syndicate.
- Managing general agent (MGA)** -- is an independent agency that underwrites, issues, and administers policies and pays claims for the insurer.
- Managing the market cycle** -- focuses on innovation, in order to maintain profits.
- Mandamus bond** -- guarantees a writ of mandamus.
- Mandated benefit** -- is a state law that sets coverage requirements for medical expense policies.
- Mandated continuing education** -- is required to maintain a license.
- Mandated option law** -- requires insurers to offer mandated benefits to each insured, with the insured choosing and paying for the coverages he wants.
- Mandatory bureau membership** -- requires all insurers to join the rating bureau and use its rates.
- Mandatory continuing education program** -- required professional development that includes access and exposure to current information.
- Mandatory control level (MCL)** -- equals an insurer's ACL times 0.7; if the insurer's capital position falls below its MCL, regulators must rehabilitate or liquidate the insurer.
- Mandatory education and training** -- requires exposure to and learning of a unified body of specialized knowledge through education, training, and experience.
- Mandatory health insurance policy provisions** -- include the entire contract, time limit on specified defenses, grace period, reinstatement, notice of claim, proof of loss, legal actions, and physical examinations and autopsy provisions.
- Mandatory home day care coverage endorsement** -- extends Coverages B, E, and F to home day care operations and makes Coverage C business property limitations inapplicable.
- Mandatory indemnification** -- is legally required indemnification for reasonable litigation expenses of directors or officers who completely win lawsuits in which they are defendants compare permissible indemnification.
- Mandatory Medicaid benefits** -- are minimum Medicaid benefits that each state must provide; compare optional Medicaid benefits.
- Mandatory policy provision** -- contains required language and a minimum standard of coverage.
- Mandatory protection system** -- includes Social Security, workers' compensation, and unemployment compensation as required by law.
- Mandatory rate law** -- requires insurers to use rates and policy forms set and written by a state agency or rating bureau.
- Mandatory retention** -- is retention of losses when there are no transfer options.
- Mandatory retirement** -- is prohibited by law.
- Mandatory Security Valuation Reserve (MSVR)** -- was used until 1991 to prevent drastic fluctuations in reported surplus resulting from unrealized gains and losses of stocks and bonds owned by insurers.
- Mandatory settlement conference** -- is held in the judge's chambers during the early stages of litigation to encourage settlement.
- Mandatory subjects for collective bargaining** -- include wages, hours, conditions of employment, merit wage increases, pensions, seniority, grievance procedures, and management functions regarding work schedules, promotions, and discipline.
- Mandatory vacation** -- prevents a single employee from having daily, long-term access to records.
- Mandible** -- is the lower jaw.
- Manic depressive disorder** -- is characterized by swings between depressive episodes and manic episodes; is another term for bipolar disorder.
- Manic episode** -- consists of unusually and persistently elevated moods that may be accompanied by inflated self-esteem, decreased sleep, distraction, agitation, and in-

Manic-depressive mood

- involvement in dangerous activity.
- Manic-depressive mood** -- is characterized by swings between manic episodes and depressive episodes; is another term for bipolar mood.
- Manifest intent** -- requires deliberate action to cause the loss.
- Manifestation rule** -- holds that an occurrence took place when the injury was first discovered; compare exposure rule.
- Manifestations of organizational culture** -- are the symbols, stories, rites, and ceremonies that unite or create an organizational culture.
- Manipulation** -- involves anything from gentle stretching of back joints to forced rotation of the spine; is usually performed by a chiropractor or osteopath.
- MANOVA** -- abbreviates multivariate analysis of variance.
- Manual amendment bulletin** -- gives users prior notice of pending changes in the manual.
- Manual amendment page** -- replaces a page currently in the manual.
- Manual cataloging** -- ensures the programs have been fully tested and documented and ensures user departments have been trained and given operating instructions.
- Manual checking** -- performs compliance tests without a computer.
- Manual company** -- is a company that charges SAA Rate Manual Rates, bureau rates, or standard rates.
- Manual conversion** -- converts data by keying in the contents of files one by one.
- Manual data file** -- uses letters and numbers to represent facts.
- Manual lifting** -- is lifting by hand.
- Manual loading options** -- include the skeleton information load option and the full information load option.
- Manual materials handling** -- involves lifting, pulling, dragging, pushing, and transferring materials by human power, with or without mechanical aid.
- Manual premium** -- is the premium determined from the insurer's rating manual.
- Manual processing** -- sends files from work queue to work queue for each policy processing activity.
- Manual rate** -- is filed by an authorized rating bureau and approved by the state insurance commissioner; is adequate for the average risk in its class; is another term for class rate.
- Manual rating** -- determines a premium rate independently of a particular person's or group's claims.
- Manual restart** -- restarts the burner manually; is used on burners not equipped for automatic restart.
- Manual simulation** -- creates a condition (in the form of data fed into the computer) that will yield a specific result from the system; if the predicted result does not occur, there is a problem with the programmed procedure.
- Manual system** -- processes work manually, not automatically.
- Manufactured call** -- combines a put and a long position to create a payoff similar to that of a call.
- Manufactured put** -- combines a call and a short position to create a payoff matrix similar to that of a put; is another term for synthetic put.
- Manufacturer** -- converts raw materials into finished products.
- Manufacturer's representative** -- represents manufacturers in the sale of products.
- Manufacturers' consequential loss assumption endorsement** -- covers the reduction in value of remaining, undamaged stock after direct damage to other stock.
- Manufacturers' insurance** -- covers manufacturers that send partially completed products to contractors for processing.
- Manufacturers' output policy (MOP)** -- was introduced in 1952 and combines property and inland marine insurance in one package policy with optional boiler and machinery and optional auto physical damage coverage.
- Manufacturers' selling price (finished stock only) coverage** -- covers the manufacturer's lost sales due to damaged finished stock by insuring the increase in price from the cost

Marginal pricing

- to create finished goods to the price they would have been sold for.
- Manufacturers' selling price clause** -- commits the insurer to pay the selling price for items manufactured but not sold.
- Manufacturing definition of quality** -- defines quality based on the adherence of a good or service to established specifications.
- Manufacturing location** -- makes products for delivery to the insured's customers.
- Manufacturing process** -- creates tangible products, especially by machines or on a repetitive basis.
- Manufacturing-based approach to quality** -- is another term for manufacturing definition of quality.
- Manuscript form** -- is a one-of-a-kind insurance policy developed for an individual insured.
- Manuscript policy** -- is written specifically for and tailored to an individual insured and individually drafted according to insurer-insured pre-agreement negotiations.
- Many interests theory of regulation** -- holds that many special interest groups compete to influence regulation.
- MAP** -- abbreviates market assistance plan.
- Map** -- presents data in two dimensions: quantity and location.
- Mapping** -- presents data in two dimensions: quantity and location.
- MARAD** -- abbreviates Maritime Administration.
- MARAD P&I clause** -- extends P&I coverage to crew members unless the injury is covered under a compensation act.
- Marco theory** -- focuses on the group or groups.
- Margin** -- covers the limited amount of underwriting, investment, and credit risk associated with a finite risk policy; equals the difference between total value and the total cost of performing value activities; equals net income / sales.
- Margin account** -- lets the investor borrow a portion of the transaction cost from the brokerage firm using the purchased stock as collateral; compare cash account and option account.
- Margin based on sliding scale** -- has the margin increase as the insured's loss ratio increases.
- Margin call** -- is a demand from a broker for additional cash or securities to cover the decline in value of the market value of the margined shares.
- Margin deposit** -- is a deposit required to enter a futures contract.
- Margin of safety** -- is an adjustment that provides the insurer a cushion so premium rates will be sufficient to cover actual mortality rates.
- Margin rate** -- indicates the percentage of a securities purchase that must come from the investor's funds rather than from borrowing.
- Margin requirement** -- specifies what percentage of a security may be used as loan collateral.
- Marginal** -- is a row or column total in a cross-tabulation; see C and C-.
- Marginal analysis** -- weighs the additional costs against the additional benefits resulting from changing the current level of activity a little; resources are used efficiently if the marginal benefit from use of the resource equals its marginal cost.
- Marginal benefit** -- is the rate at which opportunity benefits increase as the production or consumption level is increased.
- Marginal cost (MC)** -- is the change in cost caused by a small change in output; equals change in TC / change in output; is another term for incremental cost.
- Marginal cost (MC) curve** -- shows the additional cost of producing each extra unit.
- Marginal cost of capital** -- is the cost of the last dollar of funds raised.
- Marginal efficiency of investment (MEI)** -- is the expected rate of profit generated by an investment, its IRR.
- Marginal income analysis** -- shows the relationship between production volume and variable costs.
- Marginal pricing** -- allocates less than the full overhead cost to a product, with the intention of recapturing the unallocated costs at some point in the future.

Marginal product (MP)

Marginal product (MP) -- is the extra output associated with the addition of one unit of a variable resource to a fixed resource; equals change in total output / change in the variable resource.

Marginal profit -- equals marginal revenue minus marginal cost.

Marginal propensity to consume (MPC) -- measures the change in consumption brought about by a change in disposable income; equals change in consumption divided by change in income; compare marginal propensity to save.

Marginal propensity to save (MPS) -- measures the change in saving brought about by a change in disposable income; equals change in savings divided by change in income; compare marginal propensity to consume.

Marginal revenue -- is the change in revenue caused by a small change in output; is another term for incremental revenue.

Marginal revenue (MR) curve -- shows the additional revenue earned by selling each additional unit.

Marginal tax rate -- is the rate at which incremental income is taxed; is useful for analyzing the effect of taxation on investment decisions; is another term for tax bracket; compare average tax rate.

Marina -- is a waterfront facility that provides different types of services to pleasure craft owners.

Marina operator -- runs a marina.

Marina operator's legal liability (MOLL) insurance -- is another term for marina operators' legal liability policy.

Marina operators' legal liability (MOLL) policy -- insures the marina operator's liability for damage to customers' watercraft, engines, and outboard motors in the marina's care, custody, or control.

Marina services -- include lease of dock space or moorings; storage; repair; fueling; launching; and related services.

Marine builders' risk insurance -- covers the vessel builder, owner, or both against physical loss or damage to the vessel and its related property while the vessel is under con-

struction.

Marine contractor -- builds structures on or over water, using mobile equipment on large ships or waterborne structures.

Marine division -- oversees the seaworthiness of all ships (except in areas where the engineering department is responsible).

Marine extension clause -- extends coverage if cargo must be re-routed away from the intended port as a result of natural disaster, strike by port workers, or order of civil authority.

Marine extension clauses (MECs) -- are seven AI clauses that are essentially more liberal deviation and warehouse-to-warehouse clauses.

Marine insurance -- insures vessels and their cargoes; is another term for ocean marine insurance and wet marine insurance.

Marine Insurance Act of 1906 -- is an English statute that governs marine insurance.

Marine league -- is about 3 miles.

Marine Protection, Research, and Sanctuaries Act -- prohibits the dumping of materials into ocean waters.

Marine railway -- is an inclined rail system on which ships are built and launched; is another term for slipway.

Marine survey -- indicates a boat's value, condition, insurability, and seaworthiness.

Marine surveyor -- is an independent evaluator hired to calculate risks and assess losses.

Marine way -- is another term for building way.

Marital deduction -- provides an unlimited deduction from the gross estate for qualifying transfers at death from a decedent to a surviving spouse.

Marital deduction trust -- contains enough of the grantor's estate so that his taxable estate is reduced enough to eliminate his estate tax.

Marital property -- is property acquired during marriage.

Marital satisfaction -- follows a U-shaped pattern in which satisfaction is high in early years, nosedives during the childrearing years, and then rises again to peak during the postparental retirement years.

Market efficiency

- Maritime Administration (MARAD)** -- administers programs that develop, promote, and operate the US merchant marine.
- Maritime coverage endorsement** -- is attached to the Workers' Compensation and Employer's Liability Policy to cover a non-vessel owner's liability under the Jones Act.
- Maritime employment** -- includes all employment performed upon navigable waters.
- Maritime lien** -- a property interest in watercraft granted under admiralty law to unpaid suppliers of goods and services.
- Markdown** -- is a reduction in the retail price of merchandise.
- Marked to market** -- means the price of a futures contract is adjusted each day to reflect current futures market conditions.
- Market** -- include all actual and potential buyers of a product or is a subset of all actual and potential buyers.
- Market** -- is the provider of a good or service; refers -- to the insurer that underwrites an exposure or account; refers to the group of insurers approached to underwrite an exposure or account; refers to any activity or group of activities that increase the chance of an agent or agency placing an exposure or account or increases the chance an insurer will underwrite an account.
- Market analysis** -- is another term for technical analysis and internal analysis.
- Market approach to real estate valuation** -- bases real estate value on the sale prices of comparable properties; compare cost approach and income approach.
- Market approach to valuation** -- estimates the value of the firm as if it were hypothetically acquired by a public firm.
- Market Assistance Plan (MAP)** -- is a voluntary program supervised by the state insurance commissioner and designed to solve availability problems in specific lines of insurance.
- Market basket** -- is a collection of goods and services used in the calculation of a price index.
- Market broadening** -- expands a financial institution's market geographically as technology advances and customers become more mobile.
- Market challenger** -- attempts to achieve rapid growth and replace the market leader.
- Market conduct** -- includes sales and advertising, underwriting, rating, and claims practices; state examiners assess market conduct through financial examination and complaint analysis.
- Market conduct examination** -- has state examiners analyze the insurer's practices in sales and advertising, underwriting, rate-making, and claim handling; evaluates how well and insurer meets consumers' needs.
- Market conduct investigation** -- evaluates insurance departments that directly interact with policyholders and claimants.
- Market conduct regulation** -- protects insureds from unfair discrimination, insurer fraud, excessive rates, and poorly developed coverages; includes Rate and form approval, statutory cancellation and nonrenewal notice requirements, advertising and marketing regulation, underwriting practices monitoring, and claims practices investigation.
- Market control** -- relies on market mechanisms to regulate resource prices.
- Market cycle risk** -- is the external intermediary risk that includes insurer pricing, market access, underwriting strategies, commission rates, and contingency commissions.
- Market demand curve** -- is the curve representing the willingness and ability of all current and would-be buyers to purchase at various prices; compare market supply curve.
- Market development** -- increases sales by introducing current products to new markets.
- Market development stage** -- occurs when a business offers a new product at high initial costs and accepts low sales and profits while creating product awareness.
- Market discount bond** -- is a bond with a market price that has declined below its maturity value.
- Market economy** -- allows free exchange of all goods and services.
- Market efficiency** -- is the speed with which a stock's price adjusts to interest rate changes

Market equilibrium condition

or other significant changes that ought to affect the stock's value.

Market equilibrium condition -- states that the equilibrium interest rate is the point at which saving and investment are equal.

Market evolution -- is the concept that markets are affected by changes in customer needs, technologies, competitors, distribution channels, and public policies.

Market failure -- involves an inefficient allocation of resources.

Market follower -- offers basic products at standard rates and prices; avoids direct competition with the market leader; follows its clients overseas; compare market leader and market nicher.

Market imperfection -- exists whenever a group of investors can consistently earn risk-adjusted returns in excess of market returns; is another term for anomaly.

Market influence on contract bonds -- is an economic condition that affects competition and contractors' profitability.

Market leader -- has the highest market share; compare market follower and market nicher.

Market life cycle -- moves through three phases: innovation, rapid growth, and mature market.

Market maker -- is a specialist who buys and sells stock when there are no other buyers or sellers.

Market making -- creates a secondary market in an asset.

Market model -- uses a linear equation to relate an individual security's returns to market returns; is another term for index model.

Market nicher -- provides specialized products to small markets; compare market leader and market follower.

Market order -- is an order to buy or sell shares at the best price when the order reaches the trading floor.

Market penetration -- increases sales of current products to current markets, thereby increasing the revenue per customer.

Market period -- is the time immediately after a change in product price, when producers can not change the quantity supplied.

Market plan control system -- provides

planned results by which to judge actual results.

Market portfolio -- is a hypothetical portfolio of all risky assets, with each asset weighted as the ratio of its individual market value to the market value of all risky assets.

Market positioning -- uses a set of characteristics to define a business's products relative to its competitors' products.

Market power -- is the ability to charge a price higher than the full cost of production (including an allowance for a normal profit); arises when a firm is a price searcher, when there is a divergence between price and marginal revenue; varies inversely with the consumer's ability to substitute a different commodity to accomplish the same end readily.

Market price -- is an item's fair market price between willing buyers and willing sellers in 'arm's length' transactions.

Market proposal -- asks broker candidates to access specific markets to determine the best coverage, terms, conditions, and price for an entire line of coverage.

Market rate of interest -- is the compensation the borrower pays to the lender for the use of the lender's money.

Market Reform Act -- lets the SEC halt trading on exchanges and restrict program trading.

Market research -- involves gathering data for products, programs, and strategic planning; analyzing economic trends; and monitoring competitors; defines customer behaviors and the reasons for them in each market segment.

Market risk -- is the investment risk related to changes in an investment's market value due to changes in the overall market; is necessary risk attributable to factors that affect all firms; can not be eliminated through diversification; is another term for systematic risk; compare casualty, liquidity, political, technological, and diversifiable risk.

Market risk premium -- is another term for the slope of the security market line; is the risk premium on a market portfolio; is the additional return required by investors who

Marketing

- buy securities that are not risk-free; equals the difference between the expected return on the market portfolio and the risk-free rate of return earned on US Treasury obligations.
- Market seeker** -- looks for markets that can not be served by exporting.
- Market segment** -- is a specifically defined portion of a market.
- Market segmentation** -- divides the market into groups of customers with similar characteristics.
- Market segmentation hypothesis** -- is another term for market segment theory.
- Market segmentation theory** -- holds that long-term obligations tend to have higher interest rates because, all else equal, lenders prefer the liquidity of short-term securities.
- Market share approach** -- estimates the total industry losses and the percentage that could reasonably be attributed to the insurer.
- Market share theory of liability** -- is the theory of expanded liability that apportions the judgment among the defendants based on their respective market shares (unless one or more can prove it could not have made the product).
- Market specialization** -- sells multiple products or services to one market segment.
- Market structure** -- assigns divisions by type of customer served (corporations, small businesses, government agencies, educational institutions, individuals); uses a two-boss system.
- Market supply curve** -- is the curve representing the willingness and ability of all current and would-be producers to sell at various prices; compare market demand curve.
- Market system** -- is coordinated through the use of markets, places where buyers and sellers meet.
- Market target** -- is the primary buyer or customer segment for your good or service; is another term for target market.
- Market test** -- assesses the relative merits of various stocks; the tests include earnings yield on common stock, price-earnings ratio, dividend yield, and payout ratio on common stock.
- Market timing** -- is the investment approach that tries to anticipate significant market movements and allocate assets accordingly.
- Market value** -- is an asset's fair market price negotiated at arm's length between a willing buyer and a willing seller; is an asset's current price in its own market.
- Market value adjustment (MVA)** -- increases or decreases the annuity's value depending on the overall interest rate in the US economy relative to the interest rate in the annuity.
- Market value method** -- sets actual cash value at the agreed price between willing buyers and sellers.
- Market value per share** -- equals market value / total shares outstanding.
- Market value ratio** -- measures how well a firm's stock is performing.
- Market value-stock endorsement** -- values agricultural commodities based on market price at the time of loss.
- Marketability** -- is the relative ease with which an asset can be sold for its market value; compare liquidity.
- Marketability discount** -- reduces the value of stock to reflect its lack of marketability.
- Marketability risk** -- represents the chance that an asset can not be sold quickly at its market price.
- Marketable security** -- is a stock or bond that is valued at current market value and can be traded any number of times before maturity.
- Marketable title** -- is free from defects or encumbrances.
- Marketed claim** -- can be bought and sold in a financial market (a stockholder or bondholder claim).
- Marketer** -- is the term used to define an insurance producer regulated by the National Association of Securities Dealers.
- Market-index CD** -- is a certificate of deposit with an interest rate that fluctuates with stock market rates.
- Marketing** -- directs goods and services from the producer to the consumer; includes finding, identifying the needs of, selling to, and

Marketing activities

serving clients.

Marketing activities -- include creating and gaining retail relationships, product knowledge, market knowledge, and market access.

Marketing approach -- is the management philosophy that is based on achieving complete customer satisfaction; assumes the business's objectives are best met by satisfying the end user.

Marketing audit -- is a comprehensive periodic examination of the marketing function to locate problems, opportunities, and potential improvements.

Marketing concept -- is the philosophy of marketing management that assumes that 1) consumers can be grouped by their wants and needs, 2) they choose the offer that best meets their wants and needs, and 3) managers choose target markets and develop products to attract consumers.

Marketing department -- identifies marketing opportunities, develops new products, and measures market success; is responsible for agency development, market research, product development, advertising, public relations, and promotions.

Marketing development -- supervises the entering of new markets and develops new approaches to sales, services, and other market elements.

Marketing imagination -- intuitively interprets market data to determine customers' unexpressed needs.

Marketing information -- maintains two systems (the internal accounting system and the marketing monitor system) to aid in decision-making.

Marketing information system -- links the external environment to key decisions.

Marketing intelligence system -- monitors developments and changes in the external environment.

Marketing management -- is a set of programs that promote objectives by fostering mutually beneficial relationships with target markets.

Marketing mix -- is the combination of attributes offered to a customer.

Marketing monitor system -- correlates information on external elements: customers, producers, and competitors.

Marketing objective -- is a prioritized, quantified result achievable by selling products to markets.

Marketing planning -- helps managers develop fact-based strategic and tactical marketing plans and maintains marketing progress reports.

Marketing representative -- appoints, works with, and cancels independent agents; is the insurer's salesman to its agents; is another term for special agent and field representative.

Marketing requirement -- states which insurance must be placed with admitted insurers.

Marketing research -- develops information and recommendations on specific marketing issues based on qualitative and quantitative studies.

Marketing strategy -- states the firm's long-term vision and plan for competition and plans, organizes, and directs its marketing activities.

Marketing strategy formulation -- is the set of objectives, policies, and rules that determine a firm's marketing activities.

Marketing system -- directs and facilitates the design, development, sale, and support of a product or service through a distribution channel.

Market-linked account -- is a money market deposit account (MMDA) or Super NOW account.

Market-linked certificate of deposit -- is a certificate of deposit that has a guaranteed principal amount and pays an investment return based on an equity index if the buyer holds the CD until maturity.

Marketplace -- may not control its own inventory, sets nonnegotiable prices, and sells nonphysical products online.

Marketspace -- is the virtual world of information.

Market-to-book ratio -- equals market value per common share / book value per common share.

Marking to market -- is the daily resettlement

Mass marketing

- in a futures contract; reduces the credit risk inherent in forward contracts.
- Markov analysis** -- predicts the internal supply of labor by forecasting the aggregate probabilities of employees keeping their current jobs, moving to other jobs in the company, or leaving the company.
- Markowitz model** -- is an approach to estimating portfolio risk; estimates the mean return and variance for every asset in the portfolio and estimates the covariance for each pair of assets.
- Marks and numbers** -- identify the consignee, final destination, and number of packages in each shipment.
- Mark-to-market procedure** -- values the futures contract at the end of each business day and adjusts the investor's deposit to reflect the day's gain or loss.
- Mark-up** -- expresses gross profit as a percentage of cost of goods sold.
- Markup language** -- embeds codes into a text to provide details about the structure and appearance of the text, such as boldface or insertion of graphics.
- Married put** -- is a hedging strategy that uses a put on owned stock to establish a minimum selling price for the stock during the life of the put.
- Married women's statute** -- protects the insurance proceeds, against creditors of the insured, on policies taken out by or for the benefit of a married woman on the life of her husband.
- Marshall vs. Barlow's, Inc.** -- is another term for Barlow Case.
- Martial law** -- is military control.
- Mary Carter agreement** -- is an agreement between a co-defendant and the plaintiff that guarantees that the plaintiff will receive a specified amount of money regardless of the outcome of the claim against the other co-defendant(s).
- Maryland Automobile Insurance Fund (MAIF)** -- is a full-service, state-owned carrier which provides applicants who were refused insurance in the voluntary market with coverage by the state and receives subsidies from the voluntary market.
- Masculinity-femininity** -- is the degree to which the society's members emphasize traditional male values (assertiveness, competitiveness, rationality, wealth creation) or traditional female values (passivity, cooperation, emotionality, family building).
- Maslow's hierarchy of needs** -- argues that individual needs form a universal five-level or seven-level hierarchy: 1) physical (or physiological) needs: Today's desires for air, water, food, shelter, sex, movement, and money must be satisfied before 2) safety (or security) needs: desires for future economic and psychological security are met, then the individual turns to his never-fully-satisfied 3) social (or belongingness) needs: desires for sociability, belonging, and affection, 4) esteem needs: desires for recognition and respect from others and himself, 5) self-actualization needs: desire to grow and to fulfill his full potential (to be all he can be), and, finally, beauty and truth needs: [added by Burnham in 1977 and added by Maslow in his later works] desire for sunsets and symphonies, and for philosophic enlightenment.
- Masonry** -- consists of exterior masonry walls but floors and roof of combustible materials.
- Masonry** -- includes brick, concrete block, clay tile, stone, or glass block.
- Masonry construction** -- has exterior walls made of noncombustible materials, but interior walls, partitions, floors, and roofs made of wood or other combustible materials.
- Masonry noncombustible construction** -- uses reinforced poured concrete floors, masonry or fire-resistive walls, and unprotected steel supports.
- Masonry veneer** -- consists of exterior walls of combustible material veneered with brick or stone.
- Masquerading** -- involves a user pretending to be someone else to gain access to information or resources.
- Mass** -- refers to a large number sample.
- Mass marketing** -- sells insurance to large numbers of individuals, often at a reduced premium.

Mass merchandising

Mass merchandising -- provides property-casualty insurance to potential policyholders already related for some other purpose.

Mass service -- has high labor intensity and low interaction and customization; compare professional service.

Mass tort litigation -- is a class action suit based on tort law rather than on contract law.

Massed tasks -- are learned in one session.

Massively parallel processing (MPP) -- uses hundreds or thousands of standard processors to run a supercomputer.

Mass-marketed individual insurance -- consists of individual insurance policies sold through a sponsoring organization, usually an employer or an association.

Mass-production technology -- is an organization that is both labor-intensive and capital-intensive; uses automated machines to produce large quantities of standardized products; is a routine technology.

Mast -- is a vertical pole that supports rigging; is another term for spar.

Mast crane -- is mounted on a truck, crawler bed, or rails and uses a long boom.

Master -- is another term for employer.

Master -- is the person who runs the boat or ship; is another term for captain.

Master and prototype plans -- are standardized plans approved and qualified in concept by the IRS; insurers make such plans available for their agents to sell.

Master contract -- is a group insurance contract that provides insurance benefits to people who have a specified relationship to the policyowner.

Master deed -- states the relationship among condominium owners, the association's duties, the maintenance fees, the method of making assessments, and the insurance requirements; is another term for condominium association agreement, bylaws, or declarations.

Master file -- contains permanent records that are updated periodically; compare transaction file.

Master limited partnership (MLP) -- is a large limited partnership designed to trade

like a stock.

Master note -- is a commercial paper borrowing arrangement whereby the investor agrees to accept new paper every day up to a specified maximum amount.

Master, referee, or trustee -- is a fiduciary who sells real estate or closes a legal proceeding on behalf of more than one party.

Master-servant relationship -- is an employment relationship determined by seven tests: the degree of control; the type of work; the required skills; the duration of the agreement; the method of payment; who supplies tools, material, and workplace; and whether the function is central or peripheral to the hiring party.

Masthead light -- is a white running light displayed on the foremast while a vessel is under way.

Mastoid air cell system -- is the opening at the back of the middle ear that contains a honeycomb structure of air spaces.

Matched book transaction -- is the technique in which a securities dealer reduces exposure to risk by borrowing funds through low-cost, short-term repurchase agreements (RPs) and loaning those funds out through higher-yielding, longer-term RPs.

Matched sale -- is a Fed sale of securities with an agreement to repurchase them on a specific date; is another term for reverse repurchase agreement.

Matching -- matches test and control subject's relevant characteristics; subtracts expenses from the revenues they generate.

Matching concept -- requires deducting all expenses incurred to generate a period's revenues from the revenues earned during that period, i.e., accrual accounting.

Matching concept of income -- measures the excess of revenues over expenses during an accounting period.

Matching contribution -- is a contribution made by an employer which is usually the same or slightly less than the contribution the employee makes through salary deferral.

Matching maturities -- links the maturity dates of investments to the dates on which the investor will need the funds.

Materials in an estimate

- Matching principle** -- is the GAAP that holds that revenues should be recognized when earned, not when they're received and that expenses should be recognized when a good or service is used, not when it is paid for.
- Matching process** -- improves the accuracy of measurements by ensuring that the experimental and control groups contain similar distributions among specified property types.
- Match-up program** -- is a form of shared housing in which a public agency matches homeowners with acceptable home sharers.
- Material** -- describes evidence that is significant to the matter at issue that has the ability to prove or disprove a disputed fact.
- Material and labor pricing method** -- calculates the material cost and the labor cost for each item separately, then totals the costs.
- Material breach** -- is an unjustified failure to perform a contractual obligation that would justify the termination of the contract; is based on willfulness, the extent of performance, and the extent of the benefit.
- Material damage appraiser** -- appraises damage and determines the cost of repairs or the value of total loss items; is another term for physical damage appraiser.
- Material fact** -- is any fact that would change another's action; would substantially influence the insurer's decision to provide less coverage, charge a higher premium, or settle a claim for more money.
- Material information** -- is information essential to the underwriting decision in that it affected the policy premium, term, eligibility, or acceptability.
- Material lien** -- ensures payment for materials; compare mechanics lien.
- Material misrepresentation** -- is a fact that has been misstated or omitted and that would affect a party's decision to enter into a contract or would affect a party's decision to enter into it for the same consideration (at the same price).
- Material participation** -- requires involvement in the operations of an activity on a regular, continuous, and substantial basis and requires more than mere management approval of operational activities.
- Material Safety Data Sheet (MSDS)** -- is a document required by OSHA that describes the dangers of, and handling procedures for, the chemical.
- Material safety data sheet (MSDS) procedure** -- explains how to respond to a chemical spill to prevent contamination that interrupts operations.
- Material supplier** -- manufactures and distributes supplies and equipment for construction projects.
- Material wants** -- are the desires of consumers to use goods and services that provide utility.
- Material weakness** -- is an internal control deficiency that can affect financial statement data accuracy.
- Material-handling equipment** -- raises, lowers, and transports people and materials at a job site.
- Materiality** -- dictates that absolute exactness is not necessary in financial statements as long as the reported information is not misleading; exists when the insurer or claim representative would have acted differently had he known the truth.
- Materiality principle** -- refers to the importance of an event or condition relative to the audit's objectives.
- Materiality rule of evidence** -- requires admissible evidence to be significant to the matter at issue.
- Materialman** -- provides materials for performance of a general contract.
- Materials accounting** -- is a 'balance sheet' of material going into and coming out of a process; it ensures the identification of all released material.
- Materials and equipment** -- may be incorporated into the project or reused in future projects.
- Materials handling** -- injures employees who are physically unfit, do not use proper lifting techniques, or physically move materials that ought to be moved mechanically.
- Materials in an estimate** -- describe the quantity and price of materials listed in the specifications.

Maternity benefit

Maternity benefit -- covers the expenses of normal pregnancy.

Mathematical and language development codes -- complexity of skills required.

Matriculation -- is the act of enrolling as a student.

Matrix organization -- offers a hybrid of large and small organizational characteristics, groups people and resources simultaneously by function and by product.

Matrix structure -- is another term for matrix organization.

Maturation -- describes changes that occur within the subject that are a function of time and are not specific to any particular event.

Mature commercial market -- is saturated with excess capacity; applies to most commercial lines.

Mature market -- has slow growth and more competitors.

Mature rate or 'mature' rate -- is the rate in a claims-made rate table applicable to claims-made coverage that has been in effect for at least five years.

Maturity -- is the date on which a security must be paid.

Maturity date -- is the date on which a bond's interest payments cease and its book value equals its par value.

Maturity effect -- states that bonds with longer maturities are more price sensitive to changes in interest rates; compare coupon effect and yield-to-maturity effect.

Maturity ladder -- compares cash inflows and outflows on a daily basis and/or over a longer period to determine daily and cumulative net funding needs.

Maturity rights -- are those rights that may be exercised after the insured's death, such as the rights to receive benefits, choose contingency beneficiaries (unless already exercised through prematurity rights), etc; compare prematurity rights.

Maturity stage -- occurs when a business continues product differentiation and cost controls as sales, profits, and number of competitors peak.

Maxilla -- is the upper jaw bone that forms part of the floor of the eye cavities and hard pa-

late.

Maxim of construction -- see maxims of construction.

Maximize -- means to make the very best or perfect decision based on complete information.

Maximizing behavior -- seeks the solution with the highest net economic outcome.

Maximizing shareholder wealth -- maximizes the market value of a firm's stock.

Maxims of construction -- are the rules used by courts to determine the intent of parties to a contract.

Maximum daily price range -- prohibits contracts that fall outside a specified range around the opening price; compare daily price limit (interday limit).

Maximum employment -- occurs when the only significant employment is frictional; is another term for full employment.

Maximum foreseeable loss (MFL) -- is the worst loss imaginable from an identified peril.

Maximum medical cure -- is reached when the crewman is diagnosed as incurable or when future treatment will not improve the crewman's condition.

Maximum period of indemnity -- limits the period of restoration to a specified number of days.

Maximum period of indemnity (in business income insurance) -- is an optional coverage that suspends coinsurance, but limits coverage to the lesser of loss incurred in the first 120 days or the policy limit.

Maximum period of indemnity (in the BIC) -- is an optional coverage that suspends coinsurance, but limits coverage to the lesser of loss incurred in the first 120 days or the policy limit.

Maximum period of indemnity option -- limits the period of indemnity in return for elimination of the coinsurance clause.

Maximum permissible limit (MPL) -- is the largest amount of weight most humans can lift without injury, as determined by NIOSH.

Maximum possible loss (MPL) -- estimates the largest possible loss that could occur; is

- another term for amount subject; compare maximum probable loss.
- Maximum premium** -- is the highest amount that can be charged an insured under a retrospective rating plan.
- Maximum premium guarantee** -- caps the interest-sensitive premium.
- Maximum probable loss** -- is the biggest loss that is likely to occur; is used by underwriters; compare maximum possible loss.
- Maximum rate** -- is often 2 to 3 times the provisional rate; is usually 125% - 150% of the exposure rate.
- Maximum TTD rate** -- is computed as a percentage of the employee's pre-injury earnings up to a percentage of the state average weekly wage.
- Maximum voluntary ventilation (MVV)** -- is the maximum volume of air the subject can breathe for 10-15 seconds.
- May Day 1975** -- is the day the stock market transitioned from a fixed commission structure to floating or negotiated broker commissions.
- MB** -- abbreviates megabyte.
- MBE** -- abbreviates minority-owned business enterprise.
- MBHC** -- abbreviates multibank holding company.
- MBO** -- abbreviates management by objectives; involves successive, top-down, collaborative, goal-setting by all organizational members.
- Mbps** -- abbreviates megabits per second, or 1 million bits per second; compare bps, Kbps, and Gbps.
- MBS** -- abbreviates mortgage-backed security.
- MBWA** -- abbreviates management by wandering (or walking) around.
- MC** -- abbreviates marginal cost.
- MC curve** -- is another term for marginal cost curve.
- McBride-Grunsky rating law** -- was the open competition rating law in effect in California before Proposition 103.
- McCarran-Ferguson Act (1945)** -- confirmed that state regulation of insurers is primary over federal regulation; exempts the insurance industry from federal antitrust laws to the extent that the industry is regulated by the states; see Paul vs. Virginia and Southeastern Underwriters Association (SEUA) decision; is another term for Public Law 15.
- McClelland's Achievement Model** -- indicates that employees that have a need to achieve are more motivated than other employees; describes personality as a composite of three needs: need for achievement, need for power, and need for affiliation.
- McClelland form** -- is a standard ship repairers' liability form.
- McClelland's achievement theory** -- is another term for McClelland's Achievement Model.
- McFadden Act (1927)** -- subjected nationally-chartered banks to state branching regulations, prevented US banks from branching across state lines, and liberalized national banks' securities underwriting activities.
- McFarlan's strategic grid analysis** -- measures the impact of IT on operations (vertical axis) and the impact of IT on market forces that influence future sustainable business advantages (horizontal axis).
- McGregor's Theory X and Theory Y** -- categorize managers as Theory X (pessimistic) or Theory Y (optimistic); McGregor assumes a manager's beliefs about employees affect his leadership style.
- MCL** -- abbreviates mandatory control level.
- McNemar test** -- is the nonparametric test that is a variation of the chi-square test primarily used for before-and-after measurements of the same subjects.
- MCO** -- abbreviates managed care organization.
- MCS 90 endorsement** -- attaches to a commercial vehicle liability policy to meet the financial responsibility requirements of the Motor Carrier Act; pays for liability damages, up to the stated limit, caused by negligence in operation, maintenance, or use of any motor vehicle subject to the Motor Carrier Act, even if the vehicle is not described in the policy.
- MD+A** -- abbreviates management's discussion and analysis.
- MDA** -- abbreviates multidimensional analysis

MDIB test

- tool and multiple discriminant analysis.
- MDIB test** -- abbreviates minimum distribution incidental benefit test.
- MDR** -- abbreviates medical device report.
- MDS** -- abbreviates multidimensional scaling.
- Meals-on-wheels** -- provides nutritious meals to the homes of those who are unable to prepare their meals.
- Mean** -- equals the sum of the items in the distribution divided by the number of items; is another term for arithmetic mean, average value, and expected value.
- Mean absolute deviation** -- measures the average dispersion from the mean.
- Mean reserve** -- is the average of the initial and terminal reserves.
- Mean return** -- is the average return of a distribution of returns.
- Mean reversion** -- refers to the long-term tendency of interest rates to move toward their historic mean level.
- Means** -- include the physical and social technologies available for transforming the environment.
- Means of communication** -- is the method by which a message is sent: speaking, writing, mime, etc.
- Means of egress** -- is a means of exiting a building.
- Means planning** -- chooses the means by which the ends will be pursued.
- Mean-variance criterion** -- describes an investment's combination of average return (mean) and risk (variance).
- Measure of damages** -- is the basis upon which the extent of the loss is evaluated
- Measure of value** -- means that prices rightly indicate value.
- Measurement** -- compares something to a standard to discover its extent, capacity, or dimensions; collects external customer data to measure customer satisfaction levels.
- Measurement error** -- is a forecast's error equal to the difference between the actual value and the predicted value.
- Measurement instrument** -- is given in the appendix which includes samples of the actual measurement instruments or surveys.
- Measurement matrix** -- compares how each of the four dimensions of results is measured in terms of each of the three levels of measures.
- Measurement model** -- relates observed, measured, or recorded variables to constructs.
- Measurement planning** -- lists the tasks to be measured and determines the appropriate measurement technique for each task.
- Measurement question** -- is a question respondents must answer for the researcher to gather the information.
- Measurement scales** -- include nominal scales, ordinal scales, interval scales, and ratio scales.
- Measurement techniques** -- include observations, time ladders, time logs, case studies, and time estimates.
- Measurement worksheet** -- is a tool in which the user defines the product or service to be improved, makes a customer list, identifies customer requirements, translates customer requirements into product or service specifications, and lists the factors that determine the performance of the product or service against its specifications.
- Measures of central tendency** -- are descriptive statistics that indicate the middle or center of a set of values; include mean, median, and mode; is another term for measures of location.
- Measures of dispersion** -- are descriptive statistics that indicate the variability among the values in the observations in a data set; include range, standard deviation, and coefficient of variation.
- Measures of location** -- include the mean, median, and mode; is another term for measures of central tendency.
- Measures of potential loss severity** -- include policy amount, amount subject, and probable maximum loss.
- Measures of shape** -- include skewness and kurtosis.
- Measures of spread** -- include the variance, standard deviation, range, interquartile range, and quartile deviation; is another term for measures of variability and measures of dispersion.

Medicaid estate planning

- Measures of variability** -- is another term for measures of spread.
- Meatus** -- is the external auditory canal running from the pinna to the tympanic membrane or eardrum.
- MEC** -- abbreviates marine extension clause and modified endowment contract.
- Mechanic** -- furnishes labor for the construction of improvements on land.
- Mechanic's lien** -- is a lien that secures the value of work or services on the owner's property; prevents the owner's clear title to property until outstanding debt to a labor and/or material supplier is paid.
- Mechanic's lien bond** -- releases a mechanic's lien.
- Mechanic's lien law** -- gives unpaid suppliers of labor and materials a statutory right to file liens against the owner's property.
- Mechanical breakdown exclusion** -- excludes coverage for mechanical breakdown or failure but does not exclude physical loss resulting from breakdown if caused by a covered peril.
- Mechanical breakdown optional coverage** -- covers air conditioning units if over 60,000 BTUs, boilers, and pressure vessels for sudden and accidental breakdown excluding wearing out losses.
- Mechanical filter respirator** -- uses a fibrous material to filter out airborne particulates.
- Mechanical heat energy** -- is caused primarily by friction and/or compression.
- Mechanical objects** -- include deep well pump units; miscellaneous machines, gear wheels, and enclosed gear sets; engines, pumps, compressors, fans, and blowers; and wheels and shafts.
- Mechanical power press** -- is another term for power press.
- Mechanical stoker** -- feeds fuel and supplies air to the burner automatically.
- Mechanism of injury** -- is the specific motion or force that caused injury.
- Mechanistic characteristics** -- include centralized decision making, more rules and regulations, and hierarchical communication channels.
- Mechanistic organization** -- involves a central bureaucracy and narrowly defined functional tasks.
- Mechanistic structure** -- has centralized authority, clear tasks and rules, and close supervision of employees.
- Med/arb** -- is a combination of mediation and arbitration in which the third party acts as both mediator and arbitrator.
- Media** -- are the materials on which data are recorded; include electronic data processing computer-readable cards, discs, hard drives, CD-ROMS, or tapes that hold data.
- Medial** -- means near the midline of the body.
- Medial collateral ligament and lateral collateral ligament** -- stabilize the sideways movement of the knee.
- Medial malleolus** -- is the bump on the inside of the ankle formed by a projection on the lower tibia.
- Median** -- is the middle value or value containing the 50% mark of the summed, or cumulative, probabilities; if there are an even number of values, the median is the average of the two middle values.
- Median threshold limit (TLM)** -- is the concentration at which 50% of the test population dies.
- Mediation** -- attempts to settle a suit out of court, through a neutral mediator who carries information and suggests resolutions to disputants.
- Mediation-arbitration** -- involves an attempt to solve the disagreement through mediation and an agreement to proceed directly to arbitration if the mediation fails.
- Mediator** -- is a neutral third party who hears each party's case privately, then works with all parties together to resolve the dispute, often recommending a specific compromise.
- Medicaid** -- is a government-subsidized, means-tested program that provides medical and long-term care to low-income people.
- Medicaid Disability Trust** -- allows the individual to divest himself of assets to qualify for Medicaid coverage.
- Medicaid estate planning** -- helps individuals find loopholes in Medicaid eligibility laws and regulations, usually through asset transfers to reduce personal wealth.

Medicaid planning

Medicaid planning -- rearranges a person's financial resources to shield those assets from Medicaid; makes an individual eligible for Medicaid coverage.

Medicaid public/private partnership -- protects individuals with qualified private long-term care insurance against Medicaid spending-down.

Medical authorization -- grants authority to obtain medical reports and records.

Medical benefit (in workers compensation) -- pays for medical expenses in full without limit.

Medical bill -- is a standardized, itemized bill with coded procedures and treatments.

Medical bill audit -- verifies the appropriateness of medical services and fees.

Medical care -- includes professional services prescribed and supervised by a physician and designed to restore the recipient's health, maintain his existing health, or slow the deterioration of his health.

Medical case management -- expedites maximum medical improvement.

Medical chart -- is another term for patient chart.

Medical community standard, also known as "Medical community" standard -- requires disclosure based on the medical community's determination of what a patient should know.

Medical control -- detects human absorption of hazardous materials.

Medical cost containment consultant -- reviews a claimant's medical reports and bills to determine whether treatment was appropriate for the claimant's injury.

Medical data -- consist of objective, visual or measurable, information.

Medical device report (MDR) -- notify the manufacturer or the FDA of medical devices that cause or contribute to death or serious injury.

Medical diagnostic equipment -- includes x-ray machines, computer-assisted tomography (CAT) scanners, and magnetic resonance imaging (MRI) equipment.

Medical examination -- for disability income insurance consists of blood and urine tests

at low coverage limits and also a paramedical exam with a blood test at higher coverage limits.

Medical expense -- is a reasonable charge for medical, dental, hospital, ambulance, nursing, prosthetic (artificial limb), and funeral services.

Medical expense account -- is another term for medical savings account.

Medical expense benefits -- pay reasonable and necessary expenses for medical, surgical, and dental treatment; nursing; hospitalization; rehabilitation; and medication, prosthetics, and medical supplies causally related to the accident.

Medical expense insurance -- covers medical expenses arising from illness or injury.

Medical expense limit (in the CGL) -- is the most payable per person for medical expenses for bodily injury under Coverage C.

Medical expert -- testifies about the degree of disability, the necessity of treatment, and the causal relationship between the accident and the injury.

Medical gas -- is used for medical purposes (anesthesia, respiratory therapy, oxygen).

Medical incident -- includes bodily injury and personal injury (defamation, invasion of privacy) arising from any act or omission in providing medical services.

Medical Information Bureau (MIB) -- is a non-profit organization of life insurers that exchanges underwriting information for its members.

Medical insurance -- protects against the increased costs of illness and injury; compare disability insurance; see health insurance.

Medical insurance policy -- covers physicians' and hospitals' bills and related exposures.

Medical malpractice -- is a physician's act that causes injury to a patient.

Medical malpractice insurance -- covers bodily injury and personal injury resulting from acts or omissions in rendering medical services.

Medical malpractice joint underwriting association -- is a JUA created by state law; assesses insurers writing related liability

Medicare

lines to provide this sometimes difficult-to-obtain coverage.

Medical management -- supervises the care of serious permanent injuries to expedite maximum medical improvement.

Medical model adult day care center -- provides health and rehabilitation services in addition to social and recreational activities; compare social model adult day care center.

Medical monitoring -- performs medical tests on workers to find their responses to contaminants.

Medical necessity -- is a non-tax-qualified long-term care policy benefit trigger that provides benefits if a physician certifies that care is needed.

Medical payments coverage -- pays for medical expenses, including first aid and funeral expenses, caused by accident on or near premises you own or rent or caused by accident due to your operations.

Medical payments coverage (in PAP) -- pays an insured's reasonable medical and funeral expenses incurred within three years and resulting from an auto accident.

Medical payments endorsement -- provides medical payment coverage for auto exposures only, garage locations and operations exposures only, or both.

Medical payments to others (under homeowners policies) -- pays the reasonable medical expenses of noninsureds caused by accidents on the insured premises or elsewhere if caused by activities of an insured, his resident employees, or pets.

Medical professional liability insurance -- covers BI and personal injury (mental anguish, defamation, and invasion of privacy) resulting from acts or omissions in rendering medical services.

Medical provider fraud -- occurs when a medical provider files an insurance claim for treatment that was unnecessary, unrelated to the injury, or not provided.

Medical record -- documents and plans patient care, proves appropriateness of care, and provides information to establish fees; see also medical bills, clinical notes, medical report, medico-legal reports, and narrative

reports.

Medical rehabilitation -- treats the impairment and restores lost function; coordinates care, counseling, and emotional support to help the worker adjust his lifestyle to accommodate his disability.

Medical reimbursement rider -- pays for medical expenses incurred for specific accidents and/or sicknesses when hospitalization is not required.

Medical report -- summarizes of one aspect of treatment such as a surgical procedure or physical therapy.

Medical reserve -- is set for medical expenses.

Medical savings account (MSA) -- is a personal savings account receiving favorable tax treatment used to pay unreimbursed medical expenses, including deductibles and coinsurance; is another term for medical expense account.

Medical screening program -- is a specialized program that provides employees the chance to screen for (discover) existing medical conditions, such as high blood pressure, high cholesterol, or specified types of cancer, through a routine annual physical exam.

Medical service -- is a service provided by a hospital or a health care professional, including diagnostic and therapeutic services, physical and psychological services, and traditional and nontraditional treatments.

Medical social worker -- assesses the patient and family to determine medical and rehabilitation needs; often acts as the case manager.

Medical specialist -- can testify about the degree of disability, the necessity of treatment, and the causal relationship between the accident and the injury.

Medical treatment -- is the provision of medical or surgical care for non-minor injuries.

Medically determined residual impairment -- sets earning capacity equal to the worker's pre-injury AWW (Average Weekly Wage) multiplied by the disability percentage.

Medically needy -- describes those people whose medical expenses exceed their incomes and savings.

Medicare -- is the health insurance portion of

Medicare + Choice

the Social Security program that is available to most people age 65 or older and to limited groups of people under age 65.

Medicare + Choice -- lets Medicare beneficiaries choose from five alternatives to Parts A and B; has been renamed Medicare Advantage.

Medicare Advantage -- was previously named Medicare+Choice; gives beneficiaries an alternative to the traditional Medicare program through HMOs, preferred-provider organizations (PPOs), provider-sponsored organizations (PSOs), and fee-for-service plans.

Medicare and Medicaid benefits -- fund 'indigent care' (Medicaid) and 'retiree care' (Medicare).

Medicare carve-out -- reduces health plan benefits to the extent that benefits are otherwise payable under Medicare.

Medicare Catastrophic Coverage Act of 1988 -- would have significantly expanded the Medicare program, but was repealed in response to public concern about funding.

Medicare Conditions of Participation for Hospitals -- require hospitals to credential candidates for medical staff membership and collect credentialing information for use in reappointment decisions.

Medicare lien -- must be paid even if it is not perfected.

Medicare medical savings account (MSA) plan -- consists of two parts: a medical savings account from which the recipient can pay unreimbursed medical expenses and a high-deductible insurance policy that covers at least the same services covered by Medicare.

Medicare Part A -- is the hospital portion of Medicare; provides benefits for expenses incurred in hospitals, skilled nursing facilities, and hospices; compare Medicare Part B and Medicare Part D.

Medicare Part B -- is the supplementary medical insurance portion of Medicare; provides benefits for physicians' and surgeons' fees, diagnostic tests, specified drugs and supplies, specified medical equipment, and some home health services; compare Medi-

care Part A and Medicare Part D.

Medicare Part D -- provides for prescription drug coverage; compare Medicare Part A and Medicare Part B.

Medicare secondary rules -- govern situations involving duplicate coverage.

Medicare SELECT plan -- is a medigap policy that requires the enrollee to use preferred providers for nonemergency services in exchange for lower premiums; combines any of the ten medigap policies with a preferred provider network.

Medicare SELECT policy -- is another term for Medicare SELECT plan.

Medicare Summary Notice (MSN) -- summarizes the services and supplies that have been billed to Medicare within the previous 30 days, including the amounts to be paid by Medicare and the amounts to be paid by the beneficiary.

Medicare supplement insurance -- is individual medical expense insurance designed to treat Medicare coverage gaps and limitations; the ten plans are known as Medigap Plan A through Medigap Plan J; is another term for medigap insurance.

Medicare Supplement Legislation -- directed the NAIC to develop standard Medicare supplement policies with several mandated features; regulates Medicare supplement insurance in the individual market.

Medico-legal report -- summarizes the injury and condition and states an opinion about the expected outcome; is written by the provider for attorneys and claim representatives.

Medigap Plan A -- pays for the enrollee's share of Medicare Part A expenses for days 61 - 90 of hospitalization, pays for the 60 lifetime reserve days, extends full coverage for 365 additional days after Medicare benefits end, pays the enrollee's share of Medicare Part B expenses, and pays for the first three pints of blood.

Medigap Plan B -- adds the deductible for Medicare Part A.

Medigap Plan C -- adds the deductibles for Medicare Parts A and B plus skilled-nursing facility expenses for days 21 - 100.

Member

- Medigap Plan D** -- adds the deductible for Medicare Part A, skilled-nursing facility expenses for days 21 - 100, foreign travel emergency expenses, and at-home recovery expenses.
- Medigap Plan E** -- adds the deductible for Medicare Part A, skilled-nursing facility expenses for days 21 - 100, foreign travel emergency expenses, and preventive medical care expenses.
- Medigap Plan F** -- adds the deductibles for Medicare Parts A and B, skilled-nursing facility expenses for days 21 - 100, foreign travel emergency expenses, and 100% of Medicare Part B excess charges.
- Medigap Plan G** -- adds the deductible for Medicare Part A, skilled-nursing facility expenses for days 21 - 100, foreign travel emergency expenses, at-home recovery expenses, and 80% of Medicare Part B excess charges.
- Medigap Plan H** -- adds the deductible for Medicare Part A, skilled-nursing facility expenses for days 21 - 100, foreign travel emergency expenses, and up to \$1,250 for prescription drugs.
- Medigap Plan I** -- adds the deductible for Medicare Part A, skilled-nursing facility expenses for days 21 - 100, foreign travel emergency expenses, at-home recovery expenses, 100% of Medicare Part B excess charges, and up to \$1,250 for prescription drugs.
- Medigap Plan J** -- adds the deductibles for Medicare Parts A and B, skilled-nursing facility expenses for days 21 - 100, foreign travel emergency expenses, at-home recovery expenses, preventive medical care expenses, 100% of Medicare Part B excess charges, and up to \$3,000 for prescription drugs.
- Medium** -- is the means used by a source to transmit a message.
- Medium in communication** -- is a pathway through which a message is transmitted.
- Medium of exchange** -- means that money is used as a means of payment.
- Medium term note (MTN)** -- has a maturity range of nine months to ten years; is issued by a corporation to finance medium term assets.
- Medium term time horizon** -- is from three months to two years.
- Medium work** -- includes lifting 50 pounds maximum, frequent lifting and/or carrying up to 25 pounds; compare sedentary work, light work, heavy work, and very heavy work.
- Medium-expansion and high-expansion foaming agent (SYNDET)** -- forms a foam suited to total flooding of confined spaces, transport of foam to inaccessible spaces, and displacement of vapor, heat, and smoke; is used to extinguish fires.
- Medium-risk investment** -- provides medium returns and includes such items as high-yield stocks, medium-term bonds, variable annuities, low leveraged real estate, common stock, and mutual funds.
- Medium-term note (MTN)** -- matures in one to ten years.
- Medium-term prediction** -- forecasts average growth rates and expected costs and revenues.
- MedSup** -- is another term for Medicare supplement insurance, or Medigap.
- Medulla** -- is an extension of the spinal cord into the brain that conducts impulses and controls the heart, the pulse rate, blood vessels, and breathing.
- Meeting software** -- facilitates computer-linked meetings.
- Megabyte** -- is 1 million bytes, actually 220 bytes; compare kilobyte, gigabyte, and terabyte.
- Mega-environment** -- includes all elements in the organization's surroundings that might affect its activities; is another term for general environment.
- Megahertz (MHz)** -- measures microprocessor speeds in millions of machine cycles per second; compare gigahertz.
- MEI** -- abbreviates marginal efficiency of investment.
- Melanocyte** -- is a pigment-forming, epidermal cell.
- Member** -- is a person covered by Blue Cross-Blue Shield or other plan that uses network

Member bank

- providers; is the term that describes an owner of a limited-liability company (LLC).
- Member bank** -- has joined the Federal Reserve System.
- Member of Lloyd's** -- is an individual investor who bears unlimited, personal liability; members underwrite business property and liability, ocean marine, and the oddball coverages for which Lloyd's is famous.
- Member of the family** -- refers to the transferor's spouse, ancestor or lineal descendant of the transferor or his spouse, brother or sister, and the spouse of any of those individuals; the definition relates to transfers to family trusts (under estate-freeze rules) for the benefit of the grantor's family.
- Members of named insured's household (homeowners policies)** -- include any resident relatives and any minors in their care (including nonrelatives).
- Members' agent** -- advises individual members of Lloyd's of their underwriting commitments.
- Membership corporation** -- is a civic or social corporate organization.
- Memorandum of understanding (MOU)** -- states what activity will be performed and under what circumstances, but omits any discussion of legal responsibility for accidental losses or insurance.
- Memory** -- provides temporary storage for the data and for the instructions used by the CPU; is another term for primary storage, main memory, and random access memory; is retention of learned information.
- Memory chip** -- is another term for primary memory or random access memory (RAM).
- Memory management utilities** -- include drivers, file conversion utilities, file transfer utilities, and security utilities.
- Memphis** -- was Microsoft's code-name for a major upgrade of Windows 95 currently under development; was the current name for Windows 98.
- Meniere's disease** -- causes dizziness, nausea, hearing loss, and a feeling of fullness in the ear.
- Meninges** -- is a fibrous covering that protects the brain and spinal cord; in four layers:
- Meniscectomy** -- removes some meniscus cartilage.
- Menisci** -- is the plural of meniscus.
- Meniscus** -- is the knee cartilage that cushions the ends of the femur and tibia; is pluralized menisci.
- Meniscus repair** -- involves suturing the meniscus.
- Menopause** -- is the naturally occurring permanent cessation of menstruation.
- Mens rea** -- is the criminal intent required to commit a crime.
- Mental account** -- refers to the tendency to weigh unhappiness from a loss of a given amount more heavily than happiness from gain of the same amount.
- Mental and physical distress** -- compensates the plaintiff for his pain from the accident including past and future pain; is another term for pain and suffering.
- Mental attitude for active listening** -- requires the listener to clear his mind of distractions; compare physical attitude (for active listening).
- Mental disorder** -- a pattern of symptoms that manifests a psychological dysfunction.
- Mental distractions to good listening** -- include irritation with the speaker, concern for the listener's own problems, preoccupation with other thoughts, the listener's ego, and a short attention span.
- Mental Health Parity Act** -- amended HIPAA to require group plans with 50 or more employees to apply equal annual and lifetime dollar limits to mental and physical health benefits.
- Mental set** -- is the individual's attitude, based on personal knowledge, beliefs, and value systems.
- Mental-mental injury** -- consists of mental phenomena causing mental injury; compare mental-physical injury.
- Mental-physical injury** -- consists of mental phenomena causing physical symptoms such as ulcers; compare mental-mental injury.
- Mentoring** -- is a program in which experienced employees guide less experienced employees.

Messenger protection

- Menu** -- is a list of computer commands or options for manipulating data.
- Menu bar** -- is a computer-screen bar just under the title bar that shows the names of available pull-down menus.
- Menu costs** -- are the costs of changing prices; term comes from the cost of printing new menus when a restaurant changes its prices.
- Menu-driven interface** -- accepts commands chosen from a command list or menu; compare command driven interface and graphical interface.
- Mercantile occupancy** -- is a facility in which goods and services are sold.
- Mercantile risk** -- is another term for store risk.
- Merchandise** -- consists of goods being manufactured or held for sale, including goods in process and finished goods; is another term for stock.
- Merchandise inventory** -- is the cost of merchandise acquired but not yet sold.
- Merchandise trade** -- is trade in goods.
- Merchandise trade balance** -- is the difference between merchandise exports and merchandise imports.
- Merchandising and dealer bond** -- guarantees that the principal will use good faith business practices and will avoid misrepresentations and fraudulent practices.
- Merchant** -- is a professional dealer in the type of goods in question; includes any agent who specializes in that type of goods (and, possibly, others).
- Merchant (UCC definition)** -- is a seller who regularly deals in or has special knowledge of the goods being sold or who hired an agent who would qualify as a merchant.
- Merchant Marine Act of 1920** -- gives injured seamen the right to sue the shipowner for damages caused by negligent ship operation; is another term for Jones Act.
- Merchant police system** -- patrols routes covering several properties.
- Mercury flow switch** -- responds to fence movements to detect intruders.
- Merger** -- is the joining of two or more companies resulting in one company surviving or the creation of a totally new company,
- Merger clause** -- states that the written contract is the complete integration of the parties' agreement; is another term for integration clause.
- Merger wave** -- is a period of increased merger activity.
- Merit goods** -- are goods government thinks are in society's best interests.
- Merit pay** -- allocates higher wages to better performances.
- Merit pay plan** -- is a compensation plan that bases pay on performance.
- Merit rate** -- reflects actual loss experience.
- Merit rating** -- credits the insured for good housekeeping, excellent employee training, and/or other activities that reduce the WC risk; is another term for schedule rating.
- Merit selection of judges** -- is the system in which public officials appoint judges.
- Merkel cell** -- is an epidermal cell that is a receptor of tactile sensations.
- Merritt Committee** -- was appointed in 1910 by the New York legislature to investigate non-life insurers; recommended limited regulation of surplus lines insurers and the combining of insurer statistical data to improve rating and to help reduce insurer insolvencies.
- MES** -- abbreviates minimum efficient scale.
- MESA** -- abbreviates Mining Enforcement and Safety Administration.
- Mesokurtic** -- describes a normal distribution, with a kurtosis value of zero.
- Mesomorph** -- describes a person who is solid and athletic versus ectomorph (thin and athletic) and endomorph (fat and nonathletic).
- Mesothelioma** -- is cancer of the lining of the chest and abdomen.
- Message** -- consists of the words chosen by the source to convey the idea communicated; tells an object to run its program.
- Message in communication** -- is the information to be shared.
- Message modification** -- involves a user altering someone else's message.
- Messenger** -- is any insured, relative, partner, member, or employee with care and custody of the property outside the premises.
- Messenger protection** -- includes guards, safe-

MET

- ty satchels, and vehicles (armored cars, etc.).
- MET** -- abbreviates multiple employer trust.
- Metabolic cost of a task** -- is the energy needed to perform that task; equals $M1 + M2 + \dots$; see metabolic energy cost.
- Metabolic energy cost** -- is used to measure the demands of work; equals the total of the metabolic cost of each task ($M1, M2 \dots$) multiplied by the time spent on each task ($t1, t2 \dots$).
- Metacarpal** -- is one of the five bones that form each hand and have rounded distal ends that form the knuckles.
- Meta-data** -- show the origins of the data and their transformations, summarize the data, and describe the contents of the data warehouse in which the cleaned-up data are stored.
- Metal detection system** -- uses buried wire loops that trigger an alarm when ferrous metal objects pass over them; detects intruders.
- Metal fume fever** -- is a flu-like, temporary reaction to the inhalation of some metal fumes.
- Metal roof** -- has a long life and provides good protection from weather and fire.
- Metallic foil** -- is a thin strip of foil affixed to a glass surface; is another term for window tape.
- Metasearch site** -- sends the user's query to several other search tools and compiles the results; SavvySearch and Dogpile are meta-search sites; see also search engine.
- Metcalf's law** -- states that the usefulness of a network increases with the square of the number of users connected to that network.
- Metempsychosis** -- is another term for reincarnation and for transmigration of souls.
- Meter** -- equals 39.37 inches; equals 1/10,000,000 of the distance from the North Pole or South Pole to the equator.
- Method** -- is a piece of program code that performs a frequently required task.
- Method of agreement** -- is expressed thus: "When two or more cases of a given phenomenon have one and only one condition in common, then that condition may be regarded as the cause (or effect) of the phenomenon."; example: If we find Z and only Z in every case where we find C, and no non-C cases are found with Z, then Z and C are causally related; compare method of difference.
- Method of cession clause** -- sets cession requirements for complex risks.
- Method of difference** -- is expressed thus: "If there are two or more cases, and in one of them observation Z can be made, while in the other it can not; and if variable C occurs when observation Z is made, and C does not occur when observation Z is not made; then there is a causal relationship between C and Z"; compare method of agreement.
- Method of equal appearing intervals** -- is another term for differential scale.
- Method of least squares** -- finds the line of best fit in a scatterplot that shows no definite regression line.
- Methodology** -- is the procedure or procedures used to conduct research; includes sampling design, research design, data collection, data analysis, and limitations; states how goals and objectives will be accomplished through strategy and plans.
- Methods for controlling pledged inventory** -- include blanket inventory liens, trust receipts, and warehousing.
- Methods of calculating the unearned premium reserve** -- include the annual pro rata method, the monthly pro rata method, and the daily method.
- Methods of estimating reserves for reporting losses** -- include the individual estimate method, the average value method, the loss ratio method, and the tabular value method.
- MET-L-X powder** -- extinguishes magnesium, sodium, potassium, and sodium-potassium alloy fires.
- Metric** -- describes ratio or interval data.
- Metropolitan Area Network (MAN)** -- links computer resources in a wider area, such as buildings within a city; compare LAN, WAN, and PBX.
- MeV** -- abbreviates million electron volts.
- MEWA** -- abbreviates multiple employer welfare arrangement.

Middle ear

- Mexico coverage endorsement (to the PAP)** -
- extends all coverages, as excess, for accidents in Mexico if within 25 miles of the US border but only for trips of under 11 days and only if coverage is also in force with a licensed Mexican insurer.
- MFL** -- abbreviates maximum foreseeable loss.
- MFN** -- abbreviates most favored nation.
- MFN treatment** -- protects investors under the NAFTA.
- Mg/m³** -- abbreviates milligrams per cubic meter.
- MGA** -- abbreviates managing general agency.
- Mhz** -- abbreviates megahertz.
- MIB** -- abbreviates Medical Information Bureau.
- MIB Group, Inc.** -- was formerly known as the Medical Information Bureau; is a not-for-profit underwriting information exchange system among life and health insurers.
- Mica pneumoconiosis** -- is the fibrotic lung disease caused by inhalation of mica dust.
- MICR** -- abbreviates magnetic-ink character reader and magnetic-ink character recognition.
- Micro theory** -- focuses on individual(s).
- Microchip** -- is a tiny piece of silicon that contains millions of microminiature electronic circuits; is another term for chip.
- Microcomputer** -- is small enough to fit on or next to a desk; supports one user at a time; is another term for personal computer (PC); compare supercomputer, mainframe, workstation, and microcontroller.
- Microcomputer Era** -- spans the 1980s to the early 1990s and was dominated by stand-alone microcomputers and end-user tools such as word processing and spreadsheets.
- Microcontroller** -- is an embedded computer installed in a 'smart' appliance; compare supercomputer, mainframe, workstation, and microcomputer.
- Microeconomics** -- studies the economic behavior of individual entities, specifically the relationship between prices and a market's characteristics.
- Microfiche** -- stores micrographic images on a sheet of microfilm; compare microfilm.
- Microfilm** -- stores micrographic images on a roll of film; compare microfiche.
- Micrographic** -- consists of graphic material reproduced in a much reduced size; includes microfilm and microfiche.
- Microkernel** -- is a universal software code that will work on any operating system; is currently under development by IBM.
- Microlandbridge** -- uses a land mass to complete or begin a voyage that uses water, such as Japan to Chicago via the Pacific Ocean and transport partway across the continental United States; microlandbridge routes do not have an all-water alternative; compare landbridge and minilandbridge.
- Micrometer** -- equals 1/1,000,000 of a meter or 1/25,400 of an inch.
- Micron** -- equals 10⁻⁶ meter; equals 1 micrometer.
- Microprocessor** -- is a miniaturized computer processor etched on a (usually silicon) chip, used as a CPU.
- Micro-processor based** -- describes a card reader, connected to a micro-processor, that controls other card readers.
- Microsecond** -- is a millionth of a second; compare millisecond, nanosecond, and picosecond.
- Microsoft Network (MSN)** -- is a commercial online service.
- Microsoft.Net** -- is Microsoft's Internet operating system, designed to link unrelated Web sites in useful ways; is another term for .Net.
- Microwave detector** -- senses motion that disrupts high-frequency radio waves.
- Microwave radio** -- transmits data through the atmosphere along a series of microwave towers spaced 20 to 30 miles apart.
- Microwave system** -- transmits data through the atmosphere along a series of microwave towers spaced 20 to 30 miles apart.
- Microwaves** -- occupy the part of the electromagnetic spectrum between 10 and 300,000 MHz.
- Middle adulthood** -- is Levinson's developmental period of adulthood that lasts from ages 40 to 65; compare midlife transition.
- Middle ear** -- lies between the eardrum and the bony wall of the inner ear; is lined with

Middle manager

mucous membrane and contains the ossicles, Eustachian tube, eardrum, oval and round windows, and mastoid air cell system.

Middle manager -- implements top management's plans and supervises first-line managers; may be called a plant manager, operations manager, or division head; compare first-line manager and top manager.

Middle of the road leadership style -- seeks compromise that balances task efficiency and employee morale; is another term for 5,5 leadership style.

Middle-old -- is the subcategory of chronological age that includes people age 75 to 84.

Middleware -- is the collection of software that helps clients, servers, mainframes, and their systems coordinate activities in time and across networks.

MIDI -- abbreviates musical instrument digital interface.

Midlife transition -- is Levinson's developmental stage that ends the period of early adulthood; compare middle adulthood.

Midrange -- describes a computer that is more powerful than a PC and is often used as a server.

Midspread -- is another term for interquartile range.

Midterm official bond -- is a new bond posted by a public official during the term of office after already posting a qualifying bond from a prior surety; is generally requested by a public official whose original surety seeks release under its bond.

Migrant and Seasonal Agricultural Workers Protection Act -- requires employers to give employment and insurance information to migrant workers and gives workers the right to sue for occupational injury and disease.

Migrating fraud -- refers to the tendency of fraudsters to shift their activities to states with less diligent anti-fraud efforts.

Migration -- refers to the movement of new members into a population; is the least important factor in determining a country's age structure; compare fertility and mortality.

Migratory stream -- occurs when people move

from one region to another; compare aging in place.

MIL -- abbreviates Model Investment Laws.

Mileage basis -- bases the auto premium on the total mileage driven by all revenue-producing vehicles during the policy period.

Miliaria -- is heat rash.

Military Sealift Command (MSC) -- provides transportation services for the Department of Defense.

Military strategy -- uses physical force to implement changes.

Mill construction -- is joisted masonry construction with heavy, solid wood floors with no floor joists and heavy timber beams and columns whose bearing walls resist fire for two hours; its wood columns are at least eight inches thick; its wood beams, supports, and ties are at least six inches wide or ten inches deep; and its tongue and groove floors are at least three inches thick with a one-inch overlay (decks may be two inches thick); is another term for heavy timber construction.

Miller Act of 1935 -- requires contractors who do over \$25,000 of work on public buildings to protect the government with performance bonds and to protect those who directly supply labor and materials with payment bonds.

Miller Act payment bond -- is required for specified federal projects.

Milligrams per cubic meter (mg/m3) -- expresses the concentration of a gas or vapor.

Milling machine -- uses cutters to shape and dress metal surfaces.

Milling waste -- is the difference between nominal size and actual size of material such as lumber (e.g., a 2 by 4 really measures 1 1/2" by 3 1/2").

Millisecond -- is a thousandth of a second; compare microsecond, nanosecond, and picosecond.

Mindstorming -- involves one individual generating as many ideas as possible without judging the quality of those ideas.

Mine Act -- abbreviates US Mine Safety and Health Act.

Mine Safety and Health Administration

Minimum required basic surplus

- (MSHA)** -- protects the safety and health of US miners by enforcing public laws, developing standards, and running training programs.
- Mine subsidence** -- occurs when land falls into an underground space created by mining operations.
- Mineral rights** -- are the rights to minerals, clay, stone, gravel, and sand below the surface of land.
- Mini bond kits/mini rate charts** -- are tools provided by the surety and the producer to attorneys to facilitate bond production.
- Miniaturization** -- makes ever-smaller computers.
- Minibike** -- is a small, low-powered, two-wheeled vehicle designed for off-road use.
- Minicomputer** -- is a mid-sized computer that supports up to fifty users; is smaller than a mainframe computer but larger than a microcomputer.
- Minimal task relationship** -- arises from work that does not require employees to share ideas, dialogue, activities, or attitudes.
- Minimalist approach to process formalization** -- uses simple process management tools to reduce and simplify formal specifications without threatening the success of the IT project.
- Minimization principle** -- holds that the professional must minimize the power he exercises over his client by fully disclosing all material facts and by obeying his client's decision.
- Minimum account standards** -- indicate the minimum coverages an account must have to receive the best service; compare minimum agency standards.
- Minimum agency standards** -- indicate the type of accounts that will receive the most attention and best service; compare minimum account standards.
- Minimum and maximum limits of insurance under Forms O and P** -- are, for Form O, \$5,000 minimum, no maximum; and, for Form P, \$2,500 minimum, \$100,000 maximum.
- Minimum annual employer contribution** -- equals normal costs plus amortization fees.
- Minimum Benefit Standards Act** -- is another term for Accident and Sickness Insurance Minimum Standards Model Act.
- Minimum capital** -- is another term for minimum policyholders' surplus.
- Minimum capital and surplus standards** -- are set to prevent insurer insolvency.
- Minimum death benefit guarantee** -- a guaranteed minimum amount payable under a variable life policy.
- Minimum distribution incidental benefit (MDIB) test** -- applies when the retiree's beneficiary is not a spouse; is a method of calculating the minimum required distribution from an individual's accumulated retirement benefit.
- Minimum efficient scale (MES)** -- is the lowest level of output at which a business can minimize long-run average costs.
- Minimum line** -- is the primary insurer's lowest retention level under a reinsurance contract.
- Minimum participation rule** -- applies only to defined-benefit plans; requires the plan to cover the lesser of 50 employees or 40% of eligible employees.
- Minimum policyholders' surplus** -- protects policyholders; provides enough working capital to commence business; is another term for minimum capital.
- Minimum premium** -- is the lowest amount for which a policy may be written.
- Minimum premium for garage liability coverage** -- is double the dealers' rate shown on the state rate pages for the highest rated location.
- Minimum premium plan** -- is an alternative funding arrangement under which the employer pays claims up to a specified percentage of estimated claims; requires the insurance company to pay claims from its own funds if and when claims exceed that amount.
- Minimum rate** -- is often 50% of the provisional rate; is expressed as a percentage of the exposure rate.
- Minimum required basic surplus** -- is the amount of surplus existing insurers must hold.

Minimum requirement combination policy

- Minimum requirement combination policy** -- combines some coverages and requires the insured to buy specified minimum coverages to limit adverse selection.
- Minimum reserves** -- are reserves calculated by state-mandated methods that dictate the required mortality tables, maximum interest rates, and prospective or retrospective formulae to use.
- Minimum size requirements** -- prohibit investment in companies smaller than a specified size.
- Minimum TTD rate** -- sets a lower limit for disability benefit rates below which the disabled worker is not paid no matter how low his pre-injury earnings.
- Minimum-coverage requirements** -- hold that for a plan to benefit specified highly compensated employees, the plan must cover a specified percentage of the nonhighly covered employees.
- Mining Enforcement and Safety Administration (MESA)** -- protects the safety and health of US miners by enforcing public laws, developing standards, and running training programs.
- Mining Enforcement and Safety Administration (MESA)** -- was established in 1973 to protect the safety and health of US miners by enforcing public laws, developing standards, and running training programs.
- Mining operation** -- gathers solid natural resources underground and at ground level.
- Ministerial act** -- is required of a public official; does not require judgment and choice; making a decision and composing a confirming letter are discretionary acts, typing and posting that letter are ministerial acts.
- Ministerial duties** -- require little or no judgment; may be delegated by an agent to his agent; example: insurance agents delegate many ministerial duties to their secretaries and customer service representatives.
- Ministerial power** -- is concerned with routine performance of duties; compare discretionary power.
- MINITEL System** -- is a French computer-based information system with full-text databases.
- Mini-trial** -- is a method of alternative dispute resolution in which lawyers for the parties present an abbreviated version of their evidence to an impartial panel or adviser that gives an opinion on the possible outcome, but does not make a binding decision.
- Min-max range** -- indicates the difference between the highest and lowest rate of return in a series.
- Minor** -- is a person who has not obtained the full legal age and therefore is not competent to enter into a contract.
- Minor line of insurance** -- is a sub-classification of a major line, such as bodily injury liability.
- Minority discount** -- is a gift or estate discount from the value of a business interest that represents less than a controlling interest at the time of transfer.
- Minority interest in a subsidiary** -- is a long-term liability equal to the equity of minority stockholders in a subsidiary not wholly owned by the parent company.
- Minority interest in earnings of subsidiary** -- is a consolidated income statement item that represents the minority stockholders' share of the subsidiary's earnings.
- MIPS** -- measures computing speed; abbreviates millions of instructions per second; compare flops.
- Miranda warning** -- notifies a suspect that he has the rights to remain silent and to obtain an attorney and that any statements he makes can be used as evidence against him.
- Mirror image rule** -- requires that an acceptance be identical to the offer, otherwise it constitutes a counteroffer.
- Mirror or camera** -- detects and discourages shoplifting.
- Mirroring** -- creates a second copy of all data (often on a second disk) to protect information from loss so, if the first system fails or the first disk crashes, the mirrored database is always ready for access; is another term for redundancy or shadowing.
- MIS** -- abbreviates management information system.
- Misappropriation** -- occurs when an agent keeps funds that belong to another person or

Mission statement

- entity.
- Miscellaneous bond** -- does not fit into any of the other bond categories; includes miscellaneous indemnity bonds, financial guarantee bonds, and lost instrument or securities bonds.
- Miscellaneous contract bonds** -- secure contracts for work such as rental of mechanical equipment, student transportation, snow and garbage removal, and street cleaning; includes subdivision bonds and supply contract bonds.
- Miscellaneous contractors' equipment** -- supports or supplements other contractors' equipment.
- Miscellaneous employee** -- performs functions related to the entire job; is assigned to the classification with the highest amount of payroll.
- Miscellaneous endorsement** -- adds coverage or insureds, amends limits or deductibles, or provides additional coverage.
- Miscellaneous income or expense** -- represents receipts and disbursements that are neither underwriting nor investment expenses but do affect net income.
- Miscellaneous indemnity bond** -- guarantees reimbursement.
- Miscellaneous liabilities** -- include all liabilities other than the loss and loss adjustment expense reserves and the unearned premium reserves; are reserves for all other expenses.
- Miscellaneous provision** -- clarifies the insurer-insured relationship or establishes procedures; does not qualify as a declaration, definition, insuring agreement, condition, or exclusion, e.g., 'valuation'.
- Miscellaneous real property coverage** -- extends the unit owner's form coverage to real property in the named insured's exclusive use or that the named insured has a duty to insure.
- Miscellaneous surety bond** -- does not fit within the other categories because it typically involves private relationships and/or unique business needs.
- Miscellaneous type vehicle endorsement (to the PAP)** -- adjusts the personal auto policy to cover motor homes, motorcycles, and recreational vehicles.
- Mischief** -- includes typically nondestructive pranks such as changing a friend's password.
- Misdelivery** -- occurs when cargo vanishes after delivery to the wrong party; compare nondelivery.
- Misdelivery and nondelivery** -- are perils to which property in transit is exposed.
- Misdemeanor** -- is a lesser crime punishable by fine or short-term imprisonment.
- Misdemeanor** -- is an offense that is less serious than a felony; is an offense punishable by fine, penalty, or imprisonment in a facility other than a penitentiary; compare felony.
- Misfeasance** -- is the improper execution of a lawful act; compare malfeasance and nonfeasance.
- Mislaid property** -- was intentionally placed somewhere by its owner, who accidentally left it there; compare abandoned property and lost property.
- Misleading advertising** -- occurs if advertising lacks full or fair information.
- Misrepresentation** -- is a false or incompletely true statement, upon which the recipient then relies; involves a misstatement about a policy's benefits, terms, dividends, or nature; an insurer's financial condition; or a false statement intended to influence the purchase or surrender of a policy.
- Misrepresentation** -- is the false statement of past or present fact made before contract inception to induce the other party to contract or to secure more favorable contract terms; is another term for false representation.
- Misrepresentation of fact** -- makes a contract voidable, if the fact was material; compare misrepresentation of opinion.
- Misrepresentation of opinion** -- makes a contract voidable, if the fact was both material and fraudulent; compare misrepresentation of fact.
- Mission** -- is an organization's purpose or reason for existence.
- Mission statement** -- is a broad declaration of an organization's overall purpose; identifies the organization's products and customers and distinguishes it from its competitors.

Missionary selling

Missionary selling -- establishes goodwill in the hopes that the client will later buy products.

Mississippi River system -- includes the Mississippi, Missouri, Ohio, Illinois, Tennessee, and Arkansas Rivers and their tributaries.

Misstatement of age or sex clause -- is another term for misstatement of age or sex provision.

Misstatement of age or sex provision -- adjusts the policy amount payable to what would have been payable if the insured had provided accurate information in the application.

Misstatement of age provision -- changes benefits payable under the policy to the level at which they would have been paid, had the insured's age been recorded correctly.

Mist -- consists of fine liquid droplets suspended in air.

Mistake -- is a perception that is inconsistent with the facts.

Mistake of judgment -- is an error in decision-making; it can not be corrected or withdrawn.

Mistrial -- ends the trial due to an error or a deadlocked jury.

Misuse of legal process -- involves using the legal process for an improper purpose.

Mitchell Manual -- is an often-used crash manual.

Mitigate -- means to minimize the effects of a loss.

Mitigation -- minimizes or lessens something; is long-term hazard reduction that helps communities withstand future disasters.

Mitigation of damages -- minimizes damages the wronged party is required to mitigate damages since he can not recover for the unmitigated excess.

Mix of business -- is the distribution of the insurer's business by producer, territory, line, or classification of business.

Mixed association -- involves the random selection of nouns and attempts to relate them to the idea being explored.

Mixed construction -- combines construction types.

Mixed economy -- combines market and com-

mand economies; all economies are mixed because everywhere there are people who lack the moral constraint not to meddle in others' private affairs and everywhere there are people who transact beyond government required transactions.

Mixed funding -- authorizes the EPA to share a PRP's cleanup costs.

Mixed hearing loss -- is a combination of conductive and sensorineural hearing losses.

Mixed marketing system -- uses both employees and independent contractors in more than one marketing system; the company owns its expirations; the independent contractors own their expirations.

Mixed portfolio fund -- holds a combination of common stocks, bonds, and other investment instruments.

Mixed standard scale -- is a graphic rating scale that lists performance statements and asks the rater to decide if the employee is worse than, equal to, or better than each statement.

Mixed system -- combines characteristics of pure capitalism and command economy; uses more than one distribution system: independent agency, exclusive agency, direct writer, and mail-order.

Mixed-model HMO -- is a type of HMO that has the characteristics of two or more of the HMO forms; usually results from acquisition or expansion of services or geographic territories.

MLEA -- abbreviates multiple line exclusive agent.

MLP -- abbreviates master limited partnership.

MM scale -- abbreviates Modified Mercalli scale.

MMDA -- abbreviates money market deposit account.

MNC -- abbreviates multinational corporation.

Mnemonic code -- helps the user remember what the code means (2 letter state codes used by the US Post Office).

Mobile agricultural equipment -- includes accessories, tools, and spare parts used to maintain agricultural equipment.

Mobile agricultural equipment and livestock floater -- insures equipment for "all-risks"

Model office and user training

- and animals for named perils.
- Mobile agricultural equipment coverage form** -- is the filed form that covers the insured's risk of direct loss to mobile agricultural equipment.
- Mobile agriculture machinery and equipment coverage form** -- provides 'all-risks' coverage for eligible equipment subject to policy limitations and exclusions.
- Mobile crane** -- is a crane on rails, crawlers, wheels, or a truck.
- Mobile equipment** -- includes vehicles designed for use off public roads; vehicles used solely on or next to property you own or rent; vehicles mounted on crawler treads (snowmobiles, bulldozers); vehicles used mainly to move permanently mounted equipment (cranes, loaders, road construction equipment, welders); and vehicles used mainly for purposes other than transporting persons or cargo.
- Mobile equipment endorsement** -- adds mobile equipment coverage to a commercial auto policy.
- Mobile equipment exclusion** -- eliminates coverage for mobile equipment when BI or PD arises out of transport of such equipment by an auto owned, rented, or loaned to any insured or when BI or PD arises out of the use of mobile equipment in connection with racing, speed, demolition, or stunting activities.
- Mobile medical equipment** -- is medical equipment installed in a trailer or van and moved from location to location.
- Mobile property** -- includes very high-value mobile equipment, including autos, aircraft, and ships.
- Mobile recovery unit** -- is another term for mobile site.
- Mobile site aka mobile recovery unit** -- is a mobile hot site.
- Mobilehome** -- is a trailer used as a permanent dwelling, usually without a permanent foundation.
- Mobilehome Endorsement** -- endorses a Homeowners policy to provide coverage for a mobile home.
- Mobilehome insurance** -- insures a mobile home, its original equipment, other structures, unscheduled personal property, and loss of use and provides personal liability and medical payments coverage.
- Mobilehome tie-downs** -- stabilize mobilehomes and make them less susceptible to windstorm loss.
- Mobility barrier** -- prevents entry into an industry or industry segment.
- Mobilization** -- refers to initial on-site activities, such as delivering equipment and supplies and installing temporary utilities.
- Mode** -- is the most frequently occurring value in a data set or probability distribution.
- Mode of transportation** -- is the method of shipping.
- Model** -- is a mathematical representation of a real system.
- Model bill** -- is a draft statute available to state legislatures for consideration and possible enactment.
- Model Business Corporation Act** -- indemnifies a director only if he totally vindicates himself of wrongdoing.
- Model construction** -- involves the creation and testing of a model.
- Model Examination Law** -- authorizes the commissioner to conduct examinations when necessary and to determine the scope of the investigation.
- Model guaranty fund law** -- provides a standardized format for state guaranty fund laws.
- Model investment law** -- defines allowed asset classes and establishes concentration limits within the classes.
- Model law** -- is a draft bill that state legislatures may adopt as is or may adapt.
- Model Law Working Group** -- is developing a model law for anti-fraud legislation.
- Model Nonadmitted Insurance Act** -- is another term for NAIC Model Nonadmitted Insurance Act.
- Model office** -- is a method of testing the adequacy of the rates of a simplified, representative portfolio at 5-year or 10-year intervals.
- Model office and user training** -- trains personnel and checks for problems with the system.

Model regulation

Model regulation -- is a draft regulation that corresponds with a model law.

Model State Administrative Procedure Act (MSAPA) -- sets procedural rules for state agencies.

Model Surplus Lines Law -- is another term for NAIC Model Surplus Lines Law.

Model tax treaty -- is used by the US as a starting point for negotiating tax treaties with other countries.

Model Unfair Trade Practices Act -- prohibits any form of insurance advertisement that is untrue, deceptive, or misleading.

Model Written Obligations Act -- states that a signed writing indicating the intent to be legally bound, in fact binds the promisor, even if the contract lacks consideration by the promisee.

Modeling -- is a process that compiles data and known outcomes from actual catastrophes and creates formulas that can be applied to new data to predict future outcomes; observes and attempts to imitate others' behaviors to gain the same results.

Modeling tool -- represents a system graphically or pictorially; has five types: data flow diagram, systems flowchart, connectivity diagram, grid chart, and decision table.

Modem (modulator/demodulator) -- is a conversion device that transmits and receives data from digital to analog to digital by phone line.

Modem card -- is an internal modem.

Moderate revolutionary -- desires change but will accept decisions to maintain the status quo if the arguments are compelling; compare moderate traditionalist.

Moderate traditionalist -- resists 'change for the sake of change' but accepts change that brings improvement; compare moderate revolutionary.

Moderating variable -- is the second independent variable that has a contingent effect on the independent variable/dependent variable relationship.

Modern portfolio theory (MPT) -- uses mathematical models to analyze the expected returns, volatilities, and correlations of individual asset classes.

Modern quantity theory of money -- holds that interest rates affect the demand for money and that the money supply should grow steadily at a rate of about 3% annually to avoid inflation.

Modernization theory -- holds that extended family households are common in undeveloped countries, but become less common with economic progress.

Modes of transportation -- include trucks, aircraft, railcars, and vessels.

Modification to contract -- discharges the surety if it materially increases the surety's risk of loss.

Modified Accelerated Cost Recovery System (MACRS) -- was instituted in 1986; is the current IRS-prescribed method of calculating depreciation deductions; assigns every asset to a particular class, which establishes the asset's life for tax depreciation purposes.

Modified Accelerated Cost Recovery System (MACRS) property -- was placed into service on or after January 1, 1987 and is depreciated subject to specific statutory recovery periods.

Modified accrual basis -- is an accounting method that recognizes revenues when they become available and measurable and recognizes expenses when the liabilities are incurred (if measurable).

Modified adjusted gross income (MAGI) -- equals AGI plus IRA deduction and specified other items.

Modified bureau policy -- is a less standardized policy.

Modified cash basis -- is the cash basis adjusted for depreciation and accrued taxes.

Modified cash basis of accounting -- recognizes revenues and expenses on a cash basis, but recognizes long-term assets on an accrual basis.

Modified cash refund annuity -- is usually an employee contribution plan which allows the annuitant's estate or designated beneficiary to receive the balance of the employee's contributions to the plan.

Modified class rating -- adjusts a benchmark rate to reflect specific risk factors.

Modified coinsurance plan -- requires that the

Modula-2

- reinsurer return to the primary company, the net reserves it accumulates every year.
- Modified comparative negligence** -- allows recovery only if the plaintiff's negligence does not exceed the defendant's negligence.
- Modified contract** -- is a CCRC contract that provides all levels of care for the same monthly fee, with a duration limit on nursing home residency; compare extensive contract and fee-for-service contract.
- Modified duration** -- estimates the sensitivity of a bond's value relative to a change in the interest rate.
- Modified endowment contract (MEC)** -- is a life policy in which premium payments in the first 7 years exceed the amount that would have been paid under a net level premium amount.
- Modified fire resistive construction** -- has masonry or fire resistive exterior walls, floors, and roof and can resist fire for at least one hour, but not more than two hours.
- Modified flat fee** -- charges a fixed fee for the basic legal work on the case plus an hourly rate for additional work.
- Modified guaranteed-issue underwriting** -- bases the underwriting decision on the answers to a few medical questions; compare guaranteed-issue underwriting, simplified-issue underwriting, and full individual underwriting.
- Modified hammer clause** -- states that if the insurer and claimant agree to a settlement to which the insured does not agree, the most the insurer will pay for damages or subsequent settlements is the amount the claim could have been settled plus 70% of any amount in excess of the original settlement offer.
- Modified insurance arrangement** -- bases the cost of an insured benefit plan on partial self-funding.
- Modified issue** -- is a direction used to issue a policy with changes to the requested coverage; compare standard issue and modified issue.
- Modified life insurance** -- has low premiums for the first 3 to 5 years and higher premiums thereafter.
- Modified Mercalli Intensity Scale** -- describes an earthquake's effects at a specified location away from the epicenter; compare Richter Scale.
- Modified no-fault law** -- restricts the right to sue unless the auto accident victim meets a specified monetary or verbal threshold.
- Modified plan** -- is the most common form of no-fault insurance; restricts the right to sue when the monetary or verbal threshold is not reached.
- Modified preliminary term valuation** -- is any valuation method in which the first-year net premium is at least as large as the one-year term premium, but less than the net level premium.
- Modified premium** -- spreads the present value of benefits and the additional expense allowance in the first year over the premium-paying period of the policy.
- Modified prior-approval laws** -- allow unapproved rate revisions if based on changes in the insurer's loss experience.
- Modified replacement cost** -- values computer equipment by allowing damaged (obsolete) equipment to be replaced by new equipment; is another term for upgraded replacement cost.
- Modified reserve** -- is a method of calculating reserves that allows the first year's gross premium to be considered the net premium, with the excess applied to cover policy expenses.
- Modified reserve plan** -- allows some or all of the first year's reserve to be used to meet policy expenses.
- Modified simplified general rule** -- requires that for periodic payments from qualified retirement plans and TSAs, the excludible portion of each life annuity payment equals the annuitant's investment in the contract divided by a factor from federal tables.
- Modified whole life insurance** -- charges lower premiums for an initial period (often 3 or 5 years) and higher premiums thereafter.
- Modified-notch ITB** -- is another term for 'semi-notch' ITB.
- Modula-2** -- is a high-level language used mainly to write systems software.

Modular cafeteria plan

Modular cafeteria plan -- offers several pre-designed packages of benefits from which the employee may choose; usually at least one package is offered at no additional cost to the employee; some plans provide a cash payment to the employee in lieu of more extensive benefits (called a bare-bones benefit package).

Modular financial planning systems -- unbundle services and let the user select modules as needed.

Modular policy -- is a mix-and-match policy designed around a basic document with combinations of other available documents.

Modulation -- converts digital data to analog data.

Modulator/demodulator -- see modem.

Modules -- are the subroutines that constitute a problem's main processing steps.

MOLL -- abbreviates marina operators' legal liability.

Moment of truth -- occurs every time a customer contacts a business and discovers if his expectations will be met.

Moment-of-truth chart -- tracks whether the business meets customer expectations during moments of truth.

Momentum -- continues price movement in the same direction until a new force causes a change in direction.

Monahan decision -- was the Illinois Supreme Court decision stating that the contestable period does not end upon the insured's death, but runs until the time specified in the contract has elapsed; this decision has been give the force of law by almost all jurisdictions.

Monarchy -- is government with a hereditary head of state.

Monetarism -- is the monetary theory associated with Neoclassical economics; its prime proponent is Nobel Laureate Milton Friedman.

Monetarist -- believes that increases in the money supply result in higher interest rates.

Monetarist view -- holds that the money supply is the dominant influence on prices, spending, production, and employment.

Monetary asset or liability -- has a fixed cash

value; examples: accounts receivable and payable.

Monetary base -- is the sum of legal reserves plus the amount of currency and coin held by the public; recognizes the link between currency and bank reserves; serves as a principal determinant of the money supply; is another term for money base.

Monetary damages -- are the money damages received through a lawsuit.

Monetary incentive -- uses money to motivate; is based on salary, commission, and/or other performance bonus.

Monetary inflation -- pushes some losses that were previously within the primary insurer's retention over the retention limit and increases the number of claims to which the excess of loss reinsurer must contribute.

Monetary multiplier -- is the multiple of excess reserves by which the banking system can lend money; equals 1 / required reserve ratio; is another term for money multiplier.

Monetary or dollar threshold -- sets a specific dollar amount, often \$1,000-2,000 of medical bills, which must be exceeded before an injured person may sue under a no-fault law.

Monetary policy -- uses various tools to control the availability of loanable funds and thereby achieve national economic goals.

Monetary policy regulation -- uses minimum reserve requirements to control and implement monetary policy.

Monetary rule -- holds that the Fed should increase the money supply by 3% per year and not make any other monetary policy adjustments.

Monetary system -- is the economic system based on government-created currency; works better if currency value remains stable.

Monetary theory of interest -- is another term for the Keynesian theory of interest.

Monetary threshold -- sets a monetary amount that an auto accident victim must meet in order to bring a lawsuit under a modified no-fault system; also known as a dollar threshold; compare verbal threshold.

Money substitutes hypothesis

- Monetizing the debt** -- occurs when the Fed buys Treasury securities in the open market, thereby increasing both bank reserves and the money supply.
- Money** -- serves as the medium of exchange and standard of value for buying goods and services; also serves as a store of value and a source of liquidity; includes currency, coins, and bank notes in current use and having face value; traveler's checks, register checks, and money orders held for public sale.
- Money and securities** -- include all monetary assets: cash, CDs, securities, notes, and checks.
- Money and Securities optional coverage** -- covers money and securities up to the limits shown in the declarations against theft, disappearance, and/or destruction.
- Money base** -- is the sum of currency in circulation and bank reserves.
- Money center bank** -- is a large bank (over \$1 billion in assets), located in a major financial center, that relies heavily on borrowed funds.
- Money creation** -- is a bank's ability to create a deposit (generally a checking account) that can be used to pay for goods and services.
- Money demand curve** -- graphs the amount of money the public wishes to hold along the horizontal (X) axis and the interest rate along the vertical (Y) axis; curves down from the upper left to the lower right.
- Money desk** -- is a bank department that keeps track of the bank's legal reserve position and adjusts the reserve at the district Federal Reserve Bank every two weeks to meet the changing reserve requirements.
- Money market** -- is the market for short-term, highly liquid, low-risk debt securities sold by governments, financial institutions, and corporations.
- Money market account** -- is a highly liquid insured bank demand deposit account with interest rates based on its underlying securities.
- Money market CD** -- is a certificate of deposit with an interest rate that fluctuates with money market rates.
- Money market deposit account (MMDA)** -- is a checkable demand deposit with an interest rate that fluctuates with market conditions.
- Money market fund** -- is a financial intermediary that pools savings from individuals and businesses and invests those savings in short-term, high quality money market instruments.
- Money market instrument** -- is a debt security or instrument with a maturity of less than one year; compare capital market instrument.
- Money market mutual fund** -- is a financial intermediary that pools savings from individuals and businesses and invests those savings in short-term, high quality money market instruments.
- Money market preferred stock** -- is floating rate stock, with dividends linked to the Treasury security rate; corporate investors only pay taxes on 30% of such dividend income; its liquidity is high.
- Money multiplier** -- is ratio between the initial change in reserves and the change in the money supply; equals $1 / \text{the reserve requirement}$; is another term for monetary multiplier.
- Money orders and counterfeit paper currency insuring agreement** -- covers the insured's losses caused by acceptance in good faith of counterfeit paper currency and bank and federal money orders that are not paid upon presentation.
- Money power** -- is created in a claim representative because the claimant wants some of the money the claim representative controls.
- Money purchase pension plan** -- is another term for defined contribution plan.
- Money purchase plan** -- is another term for defined contribution plan.
- Money safe** -- protects contents from burglars; has a round door and is rated in seconds or minutes; compare record safe.
- Money substitutes hypothesis** -- holds that liquidity premiums are directly (positively) related to market interest rates.

Money supply

Money supply -- is the total amount in public circulation of whatever serves as a country's medium of exchange and store of value.

Money supply (M1) -- includes coins and currency circulating outside banks plus bank deposits subject to withdrawal by check.

Money supply curve -- graphs the amount of money the Fed is willing to supply along the horizontal (X) axis and the nominal interest rate along the vertical (Y) axis; assuming the Fed completely controls the money supply, the money supply is graphed as straight vertical lines before and after increasing or decreasing the money supply.

Money supply multiplier -- shows the total change in checkable deposits as a result of the initial increase in bank reserves produced by Fed monetary policy.

Money wage -- is the nominal wage, the wage expressed in number of dollars.

Money-purchase pension plan -- is a defined-benefit plan that makes a level of annual contribution, usually a percentage of salary, to each participant's account.

Money-purchase plans -- is a method of selling life insurance, wherein coverage is purchased through a given premium (\$1, \$2, etc. per week); since benefits are based on age and other factors, younger workers often get more coverage for their premium dollars.

Monitor -- is the computer's display screen.

Monitor nozzle -- delivers a large volume of water to control potentially large or intense fires.

Monitoring -- ensures system development stays on schedule and solves specific problems as they arise.

Monitoring a book of business -- compares actual results against planned results and determines appropriate corrective action.

Monitoring costs -- are the costs of overseeing corporate decision-makers; compare bonding costs and incentive alignment costs.

Monitoring stage (of problem-solving) -- tracks the solution's results.

Monitoring system -- observes, measures, and judges potential health hazards on a continuous basis.

Monochrome screen -- displays two colors (actually one color on a background).

Monoline adjuster -- handles one line of insurance; compare multi-line adjuster.

Monoline inland marine policy -- provides only inland marine coverage.

Monoline policy -- insures only one type of coverage or only one coverage part.

Monopole tower -- is a self-supporting tower that supports cellular telecommunications equipment.

Monopolistic state fund -- is state-offered workers' compensation insurance that provides the only source of workers' compensation in the four states of ND, OH, WA, and WY.

Monopolistic state workers' compensation fund -- is another term for monopolistic state fund.

Monopolistically competitive -- describes a market system with many sellers in which individual sellers gain market power through product differentiation, e.g., insurance agencies.

Monopoly -- is a market with one seller; compare monopsony.

Monopsony -- is a market with one buyer; compare monopoly.

Monorail -- consists of independent trolleys, either supported from or actually within an overhead track, from which hoists are suspended.

Monotonic trends -- yield biased samples as when the sample was prearranged from the smallest to the largest element.

Monte Carlo model -- is a static simulation representing a system at one point in time; is another term for probabilistic model.

Monthly backup -- occurs immediately before or after completing the month-end closing procedure.

Monthly Catalog (The) -- lists US government publications.

Monthly Labor Review -- is a government publication containing data on work and labor conditions, wage rates, and consumer price indices.

Monthly limit of indemnity (in the BIC) -- is an optional coverage that suspends coinsur-

Mortar

- ance, but limits payment in each 30-day period to the policy limit times the fraction (1/3, 1/4, or 1/6) shown in the declarations.
- Monthly per diem endorsement** -- sets a monthly liability limit.
- Monthly pro rata method of calculating premiums** -- assumes every policy is written halfway through its effective month.
- Monthly reporting policy** -- bases monthly premiums on the monthly exposure reports.
- Mood** -- is a pervasive and sustained emotion; see also manic-depressive (bipolar) mood, manic episode, and depressive episode; see each.
- Moody's Investors Service** -- rates the default risks of both municipal and corporate bonds; competes with Standard & Poor's.
- Moore's Law** -- is named after Gordon Moore, cofounder of Intel; states that computing power per dollar doubles every 18 months; has held true now for three decades, that's 20 doublings, over a 1,000,000-fold increase in computing power per dollar.
- Mooring** -- means securing the vessel or is the place where the vessel is secured.
- MOP** -- abbreviates manufacturers output policy.
- Moped** -- is a bicycle with a small engine.
- Moragne remedy** -- provides a means of recovery for death within territorial waters and on the high seas caused by either negligence or unseaworthiness.
- Moral behavior** -- conforms to ethical standards.
- Moral beliefs** -- are judgments about whether specified actions are right or wrong.
- Moral compass** -- is the internal feeling that directs someone toward ethical actions.
- Moral hazard** -- is a condition that increases the likelihood of intentional loss; arises from active inducement of loss and/or the temptation to exaggerate loss; compare attitudinal hazard and morale hazard.
- Moral management** -- follows ethical principles.
- Moral rights rule (for ethical decision making)** -- states that an ethical decision is one that best protects the fundamental rights of the people affected by the decision.
- Moral suasion** -- uses speeches and written communications to convince bankers and the public to conform more closely to the Fed's goals.
- Morale hazard** -- is a subjective applicant characteristic that indicates possible passive indifference to loss, such as repeated failure to lock or remove keys from a car and failure to take obvious steps to prevent or reduce loss; is another term for attitudinal hazard.
- Morality** -- defines what one does; relates behavior against an ethical standard; compare ethics.
- Morbidity** -- is a group's sickness and disability rate; compare mortality.
- Morbidity table** -- shows the probability of illness and/or injury.
- More** -- is an important social behavioral requirement, such as not committing adultery; compare norm.
- More likely than not** -- is a term that indicates a level of probability above 50%.
- Morphing** -- changes a film or video image pixel by pixel so that the image slowly metamorphoses into another image.
- Mortality** -- is a group's death rate; compare morbidity.
- Mortality and expense charges (M+E)** -- are asset-based charges imposed against the subaccounts in a variable deferred annuity to cover the insurance company's costs for its guarantees and for the guaranteed annuity factors.
- Mortality charge** -- is the part of the premium that pays the death claims.
- Mortality insurance** -- is a specialized coverage that insures against the death of a covered animal from any cause.
- Mortality rate** -- is the probability of death a given year of life; is estimated as the number of deaths among an age cohort during a year divided by the number of living in that age cohort at the beginning of that year.
- Mortality table** -- is a collection of data representing survival and death rates of a selected population observed over a period of time.
- Mortar** -- is a mix of cement, sand, water, and, sometimes, lime; holds masonry in place.

Mortgage

- Mortgage** -- is a loan collateralized by real estate.
- Mortgage and loan services report** -- contains data on mortgage balances, payment dates, original loan balances, the values of properties used as collateral, and the latest appraisals of those properties.
- Mortgage banker** -- provides mortgage loans for property developers and then sells the long-term loans to permanent lenders.
- Mortgage bond** -- is a long-term debt secured by a lien on the business's assets, usually plant and equipment.
- Mortgage cancellation fund** -- is usually provided by decreasing term insurance to pay off the mortgage.
- Mortgage clause** -- protects a mortgagee's interest in real property that has been pledged as collateral for a real estate loan with a mortgage; provides three rights: to receive direct payment toward the outstanding debt, even if the insurer has a valid policy defense against the insured, to receive written notice of impending policy cancellation, and to pay the premium, hence to keep the coverage in effect; is another term for mortgage holder's clause.
- Mortgage foreclosure** -- occurs when the mortgagor defaults on his mortgage payments and the mortgagee brings legal action for the sale of the property to pay the debt.
- Mortgage guarantee insurance** -- protects banks against loss arising from mortgage defaults, allowing banks to grant larger loans over longer periods.
- Mortgage holder** -- is another term for mortgagee.
- Mortgage holder's clause** -- is another term for mortgage clause.
- Mortgage holders errors and omissions coverage** -- covers accidental lapse of underlying property insurance by either the mortgagee or mortgagor.
- Mortgage holders provision** -- provides for payment to mortgagees and notification of cancellation or nonrenewal.
- Mortgage loan** -- is a loan for the purchase of real estate; secured by buildings and land.
- Mortgage lock-in** -- is an agreement by a home mortgage lender to keep the loan offer at the quoted, prevailing interest rate for a specified period.
- Mortgage notes payable** -- are notes secured by specific real property.
- Mortgage participation certificate** -- represents ownership interest in a pool of conventional mortgages.
- Mortgage Portfolio Protection Program (MPPP)** -- allows lenders to force existing mortgagors to purchase flood insurance on mortgaged property in a flood zone.
- Mortgage REIT** -- makes construction loans and mortgage loans.
- Mortgage-backed security (MBS)** -- is backed by a pool of mortgages or represents a share of ownership in a pool of mortgages.
- Mortgagee** -- is a secured creditor that made a mortgage loan for the purchase of real property; is another term for mortgage holder.
- Mortgagor** -- borrows money secured by real estate.
- Mortgagor-mortgagee arrangement** -- requires the mortgagor to name the mortgagee on his insurance policy.
- Morticians professional liability** -- results from malpractice claims against morticians and their employees.
- Mortise double-cylinder deadlock** -- is installed in the door rather than attached to the door's surface.
- Most favored nation clause** -- was included in the Reciprocal Trade Agreements Act; stated that any subsequent reductions in US tariffs with any nation would apply to that nation as well, even if that nation had not negotiated the reduction.
- Most likely time** -- is the most realistic estimate of the time needed to complete a project.
- Most-favored-nation status (MFN)** -- grants the most favored nation the benefit of any tariff reductions the favoring nation negotiates with any other nation.
- Motherboard** -- is the main circuit board, containing the CPU, RAM, and expansion slots; is another term for system board.
- Motion** -- is a formal request to a court to take legal action.

Motor vehicle

- Motion for default judgment** -- requests that the case be terminated in the plaintiff's favor because the defendant failed to comply with a procedural rule.
- Motion for judgment on the pleadings** -- is another term for motion for summary judgment.
- Motion for summary judgment** -- is a request by either party to terminate the case in his favor on the grounds that there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law; is another term for motion for judgment on the pleadings.
- Motion in limine** (pronounced **lim**-in-ay) -- is a request by either party to have specified evidence excluded at trial.
- Motion Picture Experts Group (MPEG)** -- is a set of standards for storing moving images.
- Motion to dismiss** -- requests the court to dismiss the claim due to the plaintiff's failure to state a claim for which the court can grant relief.
- Motion to intervene** -- is a legal mechanism that adds an interested third party to an existing lawsuit.
- Motion to produce** -- requests one party to provide the other with documents or physical evidence.
- Motivating** -- encourages employees to perform by appealing to their personal needs.
- Motivating needs** -- include esteem and self-actualization.
- Motivation** -- is the level of energy or determination with which a person acts to achieve a personal goal (personal motivation) or the energizing of employees to seek organizational goals (managerial motivation).
- Motivation factors** -- are related to job content and affect job satisfaction which results in motivation; include achievement, recognition, challenge, responsibility, advancement, and growth.
- Motivation reward satisfaction model (Heinrich, Petersen, and Roos)** -- holds that employee performance results from a combination of ability and motivation; that ability is a function of selection and training; and that motivation is a function of job climate, self, job motivational factors, peer groups, unions, and rewards.
- Motivator** -- is a satisfaction derived from the job itself; is another term for job content.
- Motive** -- is a pattern of motivation that directs behavior.
- Motor carrier** -- is a person, firm, or corporation providing transport by auto in the furtherance of a commercial enterprise.
- Motor Carrier Act of 1935** -- brought motor carriage and freight forwarders under Interstate Commerce Commission (ICC) jurisdiction and Carmack liability rules.
- Motor Carrier Act of 1980** -- establishes financial responsibility requirements for motor carriers that transport hazardous materials.
- Motor carrier coverage form** -- insures businesses that use autos to transport property.
- Motor carrier laws** -- regulate intrastate and interstate transportation of persons and property for hire.
- Motor Crash Estimating Guide** -- is a commonly used crash manual.
- Motor home** -- is a self-propelled vehicle equipped with living facilities.
- Motor Transportation Driver's Accident Report of National Safety Council** -- is an example of an adequate accident report form.
- Motor truck cargo (MTC) liability insurance** -- covers motor carriers against cargo liability claims of shippers and/or consignees for property damaged or lost in transit.
- Motor truck cargo insurance** -- is another term for motor truck cargo liability insurance.
- Motor truck cargo liability policy** -- is another term for motor truck cargo liability insurance.
- Motor truck cargo owners' form** -- covers the property owner's risk of loss to property being transported.
- Motor truck cargo policy** -- covers direct property damage to property the carrier transports; compare carriers' form of the motor truck cargo policy.
- Motor vehicle** -- is a self-propelled vehicle.

Motor vehicle record

- Motor vehicle record** -- is another term for motor vehicle report.
- Motor vehicle report (MVR)** -- lists a driver's recent history of accidents and traffic violations and states the current status of his driver's license.
- Motor Vehicle Theft Enforcement Act** -- requires the National Highway Traffic Safety Administration to monitor auto thefts and recoveries and to assess the effect of the federal motor vehicle theft prevention program on loss prevention.
- Motor vehicle, etc. exclusion** -- eliminates coverage for liability arising out of the ownership, maintenance, use, loading or unloading, negligent entrustment, or negligent supervision of motor vehicles, watercraft, aircraft, and hovercraft.
- Motor Voter Bill** -- was passed in 1993; requires all states to offer voter registration as part of the application for a driver's license; is another term for National Voter Registration Bill.
- Motorcycle** -- is a two-wheeled, gasoline powered, high speed motor vehicle.
- MOU** -- abbreviates Memorandum of Understanding.
- Mouse** -- is a hand-held device which, when moved on a flat surface, moves the cursor.
- Mouse pointer** -- is the cursor on the computer screen that is directed by the mouse's movements.
- Movable barrier device** -- encloses the point of operation before the press stroke begins.
- Movement along the supply curve** -- occurs as the price level for output changes.
- Moving average** -- graphs some average amount over a specified time.
- Moving budget** -- is revised at specified intervals.
- Moving traffic conviction** -- is a rating factor that increases premiums.
- MP** -- abbreviates marginal product.
- MPC** -- abbreviates marginal propensity to consume.
- MPCI** -- abbreviates multiple peril crop insurance.
- MPDQ** -- abbreviates Management Position Description Questionnaire.
- MPEG (Motion Picture Experts Group)** -- is the leading compression standard for moving images; compare JPEG, MPEG-1, MPEG-2, and MPEG-3.
- MPEG-1** -- is the standard for microcomputers and consumer gadgets; compare JPEG, MPEG, MPEG-2, and MPEG-3.
- MPEG-2** -- is the standard for broadcast and cable television; compare JPEG, MPEG, MPEG-1, and MPEG-3.
- MPEG-3** -- is the standard for wireless videoconferencing; compare JPEG, MPEG, MPEG-1, and MPEG-2.
- MPEG-4** -- provides instantaneous compression and decompression of images for use in wireless videoconferencing or teleconferencing.
- MPL** -- abbreviates maximum permissible limit, maximum possible loss, and maximum probable loss.
- MPP** -- abbreviates massively parallel processing.
- MPPP** -- abbreviates Mortgage Portfolio Protection Program.
- MPS** -- abbreviates marginal propensity to save.
- MPT** -- abbreviates modern portfolio theory.
- MR curve** -- is another term for marginal revenue curve.
- MRI** -- abbreviates magnetic resonance imaging.
- MSA** -- abbreviates (Archer) medical savings account.
- MSAPA** -- abbreviates Model State Administrative Procedure Act.
- MSC** -- abbreviates Military Sealift Command.
- MS-DOS** -- is Microsoft's version of DOS; compare PC-DOS.
- MSDS** -- abbreviates material safety data sheet.
- MSHA** -- abbreviates Mine Safety and Health Administration.
- MSN** -- abbreviates Medicare Summary Notice and Microsoft Network.
- MSO** -- abbreviates management services organization.
- MSPA** -- abbreviates Migrant and Seasonal (Agricultural Worker) Protection Act.
- MSVR** -- abbreviates Mandatory Security Valuation Reserve.

Multinational corporation (MNC)

MTC -- abbreviates motor truck cargo.

MTN -- abbreviates medium term note.

Mucus -- is a fluid produced by the nasal mucosa that heats and moistens incoming air and traps bacteria and dust.

Mudslide -- is a landslide with water.

Multi-axial system -- evaluates clinical syndromes, development and personality disorders, relevant physical conditions, the severity of psycho-social stressors, and global assessment of functioning.

Multibank holding company (MBHC) -- is a parent company that owns more than one banking subsidiary.

Multi-class funds -- create classes of shares that let investors choose how to pay marketing fees; include class A, B., C, and I shares.

Multicollinearity -- exists when some or all of the independent variables in a multiple regression are highly correlated, causing fluctuations in the regression coefficients; is another term for collinear.

Multidimensional -- describes the ability of a spreadsheet program to link more than one spreadsheet, so that a change to one spreadsheet changes all of them; compare dynamic linking.

Multidimensional analysis tool (MDA) -- explores all dimensions of a specified data subset.

Multidimensional data structure -- uses a data warehouse to cobble together something resembling a relational data structure out of a mix of old and new technologies and data storage systems.

Multidimensional scale -- measures more than one attribute of the respondent or object.

Multidimensional scaling (MDS) -- provides a visual impression of the relationships between objects or people in terms of multidimensional space.

Multidisciplinary approach to problem solving -- uses project teams composed of members from at least two disciplines.

Multidivisional structure -- organizes divisions into separate profit centers.

Multidomestic strategy -- customizes products and marketing to each country; costs more,

but is more competitive than a global strategy.

Multi-employer pension bond -- defers payment of withdrawal liability imposed on an employer who withdraws from a multi-employer pension plan or who sells the firm's assets to a third-party buyer.

Multi-employer pension plan -- is a benefit plan run by several employers who do not have the finances to offer individual plans or is run by employers whose workers frequently change employers or who work for more than one organization.

Multifocal strategy -- combines the worldwide integration and the national responsiveness strategies.

Multifunction printer -- performs several functions (print, copy, scan, fax).

Multi-index model -- is an approach to estimating portfolio risk; uses separate indexes to estimate the alpha and beta values for groups of related stocks and creates a covariance matrix between the indexes to compute the portfolio risk.

Multi-line adjuster -- handles several lines of insurance; compare monoline adjuster.

Multi-line insurance company -- is an insurer that underwrites several lines of insurance.

Multi-line insurer -- writes several lines of insurance; compare monoline insurer.

Multi-line package policy -- contains both property and liability coverages, has an indivisible premium, and is reported on a single annual statement line.

Multimedia -- refers to digital computer information presented in several media, including text, graphics, animation, video, music, and voice.

Multimedia computer -- presents information in several media, including text, graphics, animation, video, music, and/or voice.

Multimedia digital device -- is a portable device that links to the Internet to access voice, television, and/or Internet data.

Multimedia training -- combines text, graphics, sound, pictures, videos, and simulations; hypertext links let users navigate the program at will.

Multinational corporation (MNC) -- is an

Multi-parent captive

enterprise with an interlocking network of subsidiaries in several countries with executives who view the world (not just one country) as the MNC's theater of operations.

Multi-parent captive -- is a captive with more than one parent company; is another term for group captive.

Multiparty democracy -- is governed by representatives who are elected from many political parties.

Multi-period vertical analysis -- applies single-period vertical analysis to more than one reporting period; it provides information on the firm's profitability.

Multiphase sampling -- is another term for double sampling or for sequential sampling.

Multiple chemical sensitivity -- is an allergic reaction to a variety of man-made substances.

Multiple chimneys -- are flue spaces created by high, tight aisles between racks of stored materials that increase upward fire spread.

Multiple classification system -- a property-liability classification system that establishes class relativities by applying modifications by multiplication.

Multiple company insurance endorsement -- allocates Section I coverage among two or more insurers.

Multiple comparison test -- compares specific populations after the ANOVA has been conducted.

Multiple constituencies -- are groups of supporters, clients, and customers by which HRM may be defined.

Multiple control systems -- combine feed-forward, concurrent, and feedback controls and have several strategic control points.

Multiple counting -- includes intermediate goods in the calculation of GDP and exaggerates the value of GDP.

Multiple cultures -- consist of the subcultures within the overall culture.

Multiple deductible form endorsement -- allows insureds to apply different deductibles to different buildings under the same policy.

Multiple discriminant analysis (MDA) --

divides a set of individuals into mutually exclusive groups based on certain, identifiable qualities to identify the predictor variables that discriminate among the groups.

Multiple employer trust (MET) -- the most common type of MEWA.

Multiple employer welfare arrangement (MEWA) -- employers joined together to provide health-care benefits for their employees.

Multiple enterprise -- is a firm that operates more than one business in a state.

Multiple line exclusive agent (MLEA) -- sells both life and property and casualty insurance for a single insurer that provides financing, training, and office and service support.

Multiple of ADV deductible -- holds the insured responsible for a multiple of the average daily value of business income lost due to an accident to covered property.

Multiple of earnings based on publicly traded brokers method (of agency valuation) -- bases valuation on a public multiple of after-tax earnings.

Multiple Peril Crop Insurance (MPCI) -- is the federal crop insurance plan that insures against unexpected production losses from natural causes, including drought, excessive moisture, hail, wind, flood, hurricanes, tornadoes, and lightning.

Multiple personality disorder -- the manifestation of two or more distinct personalities by one person.

Multiple rates of return -- is the possibility that more than one discount rate will produce a zero net present value; is another term for multiple rates of return problem.

Multiple regression -- is an extension of bivariate linear regression and is used both as a descriptive tool and as a means of testing hypotheses; known as path analysis when it is used to test and explain causal theories.

Multiple regression analysis -- describes the relationship between one single dependent variable and several independent variables.

Multiple statements -- are taken from more than one person at a time; should be avoided.

Multiple system of measurement -- adds a 'difficulty factor' to the actual size of openings to reflect increased labor time for trim.

Multiple-baseline design -- assesses the trained group several times both before and after training; see training evaluation designs.

Multiple-car discount -- provides a discount for each car when two or more of an insured's cars are covered by the same insurer.

Multiple-choice question -- has more than two possible answers.

Multiple-decrement table -- is a table that includes more than one decrement.

Multiple-employer welfare arrangement (MEWA) -- is a trust sponsored by an insurance company or other person or organization and is the policyowner for an eligible group; is formed for the purpose of providing benefits to the participants.

Multiple-factor method of valuation -- values qualified special-use property (including property used for a closely held business) by considering five factors: the capitalization of income the property can be expected to yield over a reasonable period of time; the capitalized value of the fair rental value based on the property's actual use; the assessed land value; the comparable sales of land in the same geographical area; and any other factor that might establish a value based on the property's actual use; compare formula method of valuation.

Multiple-line adjuster -- handles claims involving a variety of lines or types of insurance; is another term for multi-line adjuster.

Multiple-line blank -- combines and condenses individual Annual Statement blanks into one blank.

Multiple-line insurer -- is authorized to write both property and liability insurance; is another term for multi-line insurer.

Multiple-line policy -- provides two or more lines or types of coverage.

Multiple-occupancy exposure -- exists when the insured shares a fire division with others.

Multiple-option plan -- gives the choice of

Multiprogramming operating system

traditional indemnity, HMO, or PPO coverage under one contract.

Multiple-purpose approach to financial planning -- addresses at least a large part of one (or more) of these categories of financial needs: insurance planning and risk management, employee benefits planning, investment planning, tax planning, retirement planning, and/or estate planning.

Multiple-step form -- distinguishes operating income and expenses from other income and expenses.

Multiple-step format -- presents income statements that do provide subtotals for gross profit and income from operations.

Multiple-user license -- lets more than one person use the software.

Multiplexer -- merges several low-speed transmissions into one high-speed transmission.

Multiplexer switching -- transmits multiple signals over a single communications channel; requires a multiplexer, a concentrator, and a front-end processor.

Multiplexing -- transmits multiple signals over a single communications channel; requires a multiplexer, a concentrator, and a front-end processor.

Multiplier -- is the factor by which the initial change in spending is magnified onto GDP; relates a change in government spending to the change in the GDP; see leakages.

Multiplier effect -- shows how an initial change in spending can cause magnified changes in GDP.

Multiplier process -- explains how spending changes are magnified.

Multipoint line -- connects more than two devices.

Multipolicy sale -- is another term for account sale.

Multiprocessing operating system -- executes two programs simultaneously on two linked computers; compare multitasking operating system, multiprogramming operating system, time-sharing operating system, coprocessing, and parallel processing.

Multiprogramming operating system -- executes programs concurrently for more than

Multistate insurance licensing program

one user; compare multitasking operating system, time-sharing operating system, multiprocessing operating system, coprocessing, and parallel processing.

Multistate insurance licensing program -- is a standardized examination procedure sponsored by the NAIC to test applicants for insurance licenses.

Multistate revision -- is a policy revision introduced in many or most states.

Multitasking -- is the ability to run more than one application program simultaneously.

Multitasking operating system -- executes programs concurrently for one user; compare multiprogramming operating system, time-sharing operating system, multiprocessing operating system, coprocessing, and parallel processing.

Multi-tiered market -- groups issuing banks into several risk categories, each with a different interest rate; is another term for segmented market.

Multi-user database -- is either shared or distributed.

Multi-user software -- can be shared and used by all users on the system.

Multivariate analysis of variance (MANOVA) -- describes the relationships among two or more dependent variables and their classificatory independent variables.

Multi-wall shipping sack -- holds powdered, granular, and lump material.

Muni -- abbreviates municipal bond.

Municipal -- describes a tax-exempt state or local government debt security.

Municipal bond (muni) -- is a debt security issued by a state or local government.

Municipal bond fund -- creates and manages a portfolio of municipal bonds.

Municipal bond insurance -- guarantees bond (here, bond means evidence of debt agreeing to make fixed future payments, not to be confused with surety or fidelity bond) buyers that municipalities will make bond payments as due, making municipal bonds more saleable.

Municipal operation -- is funded and organized by a state or local government.

Municipal pool -- finances a city or town.

Muscles -- include striated muscles, smooth muscles, and cardiac muscle; see also spasm, hypertrophy, atrophy, adductors, abductors, fascia, bursae, ligaments, tendons, and Achilles tendon; see each.

Museum collection policy -- covers art collections of museums plus museums' bailee loss exposures.

Musical Instrument Digital Interface (MIDI) board -- is an add-on circuit board that creates digital music.

Musical instruments -- are defined as musical instruments, sheet music, and equipment pertaining to the musical instrument(s) named in the policy.

Muskeg -- is a sphagnum bog.

Muskeg exclusion -- eliminates coverage when the loss is caused by ice subsidence or by the property breaking through ice or sinking into permafrost or muskeg.

Mutagen -- affects the human genetic system by causing cancer or mutations in later generations.

Mutual -- is an S&L that is owned by its depositors and, thus, has no stockholders.

Mutual aid agreement -- commits two or more local governments to give and receive services from each other during crises.

Mutual aid plan -- is a plan to provide aid to other companies hit by disaster and they to provide aid to your company.

Mutual assent -- occurs when an offer is freely and voluntarily made and accepted.

Mutual association -- is a device for sharing risks among the members of a group.

Mutual benefit bailment -- is another term for compensated bailment.

Mutual company -- is owned by its policyholders, who pay inception and renewal premiums and collect profits as dividends.

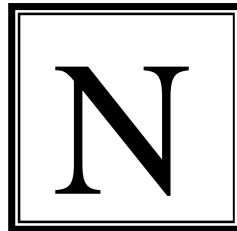
Mutual consideration -- consists of benefit received or opportunity foregone by both parties.

Mutual exclusivity -- occurs when each answer fits only one category.

Mutual fund -- is a professionally-managed company whose capitalization continually changes as new shares are sold and as outstanding shares are redeemed; is another

NA-10: Under State Supervision

- term for open-end investment company.
- Mutual holding company** -- transfers the business of a mutual insurer to a stock insurer controlled by the policyowners of the mutual insurer.
- Mutual insurance company** -- is another term for mutual insurer.
- Mutual insurer** -- is an incorporated insurer owned by policyholders to whom earnings are distributed as dividends.
- Mutual mistake** -- is made by both parties regarding the law or the subject matter of the contract; makes a contract void; is another term for bilateral mistake.
- Mutual nondiscrimination principle** -- allows foreign banks to operate under the same conditions and possess the same powers as domestic banks.
- Mutual organization** -- is legally owned by its customers (depositors in a savings association or credit union, policyholders of an insurer).
- Mutual savings bank** -- accepts household and business savings and uses them to finance larger loans.
- Mutual trust** -- is trust between employees and managers.
- Mutual waiver** -- is a reciprocal waiver.
- Mutual wills** -- are separate wills of two or more persons with reciprocal provisions in favor of the other person(s) contained in each will.
- Mutuality** -- shares the financial burden of accidental losses and administrative costs and shares the investment returns on funds held by the pool; compare segregation; is the ability to develop personal communication with the employer.
- Mutually exclusive** -- describes categories with non-overlapping elements.
- Mutually exclusive event** -- exists when the occurrence of one event makes the other event or events impossible.
- Mutually repugnant** -- describes insurance clauses that cancel out each other.
- MV** -- abbreviates moderating variable.
- MVA** -- abbreviates market value adjustment.
- MVR** -- abbreviates motor vehicle report or record.
- MVV** -- abbreviates maximum voluntary ventilation.
- Myelogram** -- is an x-ray of radiographic dye injected into the spinal column.
- Myelography** -- takes x-rays of radiographic dye injected into the spinal column.
- Myers-Briggs Type Indicator (MBTI)** -- identifies personality types by assessing perception and judgment through the way a person views things and makes decisions.
- MYOB Accounting Plus** -- is an accounting software program popular with small businesses; has a 1-click export to Microsoft Excel.
- Mysterious disappearance** -- is property loss with a difficult-to-determine time and place of loss.
- Mystery shopper** -- is an employee or other person connected to the business who pretends to be a customer in order to evaluate the business's customer service.



- n** -- is the number or trials or exposures.
- N+1 redundancy** -- describes a system in which each critical component has at least one stand-by unit; if five generators are needed, there are six; compare N+N redundancy.
- N+N redundancy** -- describes a system that has twice as many critical components as are needed to run the system; if five generators are needed, there are ten; compare N+1 redundancy.
- NA-1: Special Data Filing** -- is a rating by Best's; indicates the insurer either is too small to file an NAIC Annual Statement or has not given Best's a copy of its NAIC Annual Statement.
- NA-10: Under State Supervision** -- is a rating by Best's; is a discontinued rating that has