

Words Poorly Used #105 — Insurance

A substantial part of my jagged career was spent in the vineyards of the property and casualty insurance business. I learned that, in its principled form, true insurance was only possible where every unit was equally exposed to a loss. The textbooks told me that flooding was not an insurable peril because only the people who expected flood would buy it. The private sector insurance industry, therefore, does not voluntarily underwrite flood insurance (they do, by the way, cover non-flood water damage — anybody's pipes can burst). The politicians, for the sake of euphemism, call flood reimbursement "insurance." It is actually subsidy of reckonless risktaking.

— Kilgore Forelle