



INSURANCE 101 FOR ATTORNEYS..

How the Industry Functions on a Day to Day Basis so You Can Better Serve Your Clients

Hypothetical:

Jane Doe Real Estate Broker goes to an insurance broker to secure insurance for her real estate sales business. The **[retail broker]** gathers information and has her fill out various forms. The retail broker **[shops the risk]** to the carriers with whom he has a **[direct appointment]**. The retail broker also takes that risk and shops it to various **[wholesale]** and **[surplus lines]** brokers. The retail broker is looking for the best coverage whether it is **[admitted or non-admitted]**. The **[underwriters]** review the applications, **[supporting material]** and 3 - 5 Prior Years **[Loss Runs]**. After a review, the Underwriter may issue an **[indication OR a quote]** for coverage. Among the coverage's that are quoted for Jane Doe Real Estate Broker are **[expense outside of limits]** general liability and **[expense within limits]** professional liability. For the workers compensation, the broker obtains a quote from a **[Self Insured Group (SIG)]**.

Based on all of the quotes, Jane Does makes her selection to accept terms from an **[A- Rated Insurer]** with a **[positive loss ratio]** and an **[internal claims Department]**. The retail broker **[binds]** the applicable coverage's. Immediately thereafter, Jane Doe Real Estate Broker signs a contract that requires that Jane Doe name her client as an **[additional insured]**. Jane calls her broker and he sends over a **[declaration page]** that says that the **[certificate holder]** is an additional insured. She also wants to **[Finance]** her premium and signs a **[Premium Finance contract]**.