

# The Hypothetical:

## The Language of How Insurance is Bought

Jane S. Crow, a real estate appraiser, meets with a local insurance broker to buy insurance for her business. The [retail insurance broker] gathers information and has Jane fill out various forms.

The retail broker [**shops the risk**], presenting Jane's business information to insurance 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 and [**MGA/MGU's**]. The retail broker is looking for the best coverage for Jane, whether it comes from an insurer that is [**admitted or non-admitted**].

The [**underwriters**] at each insurance company review Jane's applications and reply to the brokers with their [**quotes**] for coverage. Based on all of the quotes and the retail broker's advice, Jane makes her selections and the retail broker [**binds**] the three coverages.

For the [workers compensation] insurance, the broker obtains a [quote] from a [Self Insured Group (SIG)].

Later, Jane signs a contract with a bank that makes loans for real estate purchases. The bank requires that Jane name the bank as an [**additional insured**]. Jane calls the retail broker and he sends over a [**Certificate of Insurance**] that says that the [**certificate holder**] *is an additional insured*