Independent Insurance Agent®
The Trusted Choice

Michigan Association of Insurance Agents
Representing Independent Agents

May 22, 2014
Testimony before House Insurance Committee
SB 715

Dear Chairman Lund and Committee Members,

My name is Scott Hummel representing the Michigan Association of Insurance Agents, 800 plus Independent Insurance Agencies from all across the state.

Our sincere thanks for your time. MAIA encourages your support of SB 715.

A problem exists where government agencies and private businesses often require, as a condition of doing business, that an insured supply evidence of insurance on preprinted forms supplied by the entity. These forms often times alter, expand or modify the terms of the subject policy or an agent is required to alter an existing standardized form that would also expand the terms of a policy.

An insurance producer that is asked to provide these types of altered certificates may not legally do so. The Department of Insurance and Financial Services (DIFS) has made it clear that an insurance producer may not add terms or clauses to a certificate of insurance which alter, expand or otherwise modify the terms of the actual policy unless authorized by the insurer. The Department may seek disciplinary measures and even license revocation against producers who do this. However, there are currently no repercussions against other entities requiring such modifications. Despite this prohibition on agents, government and business entities have continued to insist upon certificates of insurance that do not merely act as evidence of insurance, but seek to modify the terms and conditions of coverage.

Insurance producers are being placed in an untenable position. If they do not comply with the request to issue an improper certificate, their insurance client will not be allowed to perform work for the party asking for the certificate. Unfortunately, an insurance producer that complies with the law and refuses to issue an improper certificate may often lose the client, who will find another insurance producer willing to ignore the law for economic reasons, issue an improper certificate, and hope that nothing happens that would reveal their actions.

SB 715 will help remedy this problem by making it a violation of state law for any person to alter a certificate *or* require or demand the issuance of a certificate of insurance that contains any false or misleading information. MAIA would appreciate your opposition to the HB 4485. Thank you.

Scott Hummel
Michigan Association of Insurance Agents

Trusted Choice® MAIA AAC Agents Assistance Corporation

1141 Centennial Way | Lansing, Michigan 48917 | P: 517-323-9473 | F: 517-323-1629 | bigimi@michagent.org | http://michagent.org

Attachments:

Governmental entities (MDOT and the City of Sterling Hts. are examples) insist that only its captioned "certificate of insurance" forms, are acceptable when contracting with the entity. These "certificates" require the contractor's insurance agent (and company) to attest that they will provide cancellation notice to the entity on behalf of the "subscribing insurance company" and add other governmental entities as additional insured's to the policy beyond the policy language.

In addition, there are some entities (i.e. ShowSpan and Department of Human Services with its recent requirements) that asked for altered certificates that reflect their requirements but may or may not be part of the subject policy.

The ACORD 25 Certificate of Liability Insurance (2014/01) is nationally-recognized as the only permissible evidence of liability insurance. The latest revisions purposely eliminate any cancellation privilege to certificate holders to comply with a growing numbers of national state statutes/regulations that contend intentional/unintentional cancellation notice often isn't an existing policy provision – thus the certificate erroneously expands coverage as would providing language on the certificate indicating the holder are Additional Insured's when the policy does not include the holder. ACORD warns subscribing insurance agents through software vendor licensing that use of earlier ACORD 25 editions (containing cancellation privilege) is a copyright violation/licensing violation and further, alteration of the latest ACORD 25s is unacceptable.

DIFS Bulletin No. 2008-11-INS warns "Although producers may feel pressured or obligated to provide certificates that revise or misrepresent the actual policy coverage, they are violating Michigan's Insurance Code when they do so. Producers violate the Code when they issue a certificate of insurance that misrepresents the insurance coverage provided under the insurance policy and are subject to administrative fines and license suspension or revocation. MCL 500.1239." **There are penalties for the producer who may alter a certificate, but there are no penalties in statute that would prevent the one who would demand or request an agent to engage in a violation of the Commissioner's Bulletin.**

What's the answer for entities that need cancelation notice? The state of Hawaii and city of Atlanta include the need for insurance cancellation notice in a contract with the contractor performing work for the entity.

SB 715, sponsored by Senator Casperson, would:

- Define a certificate of insurance;
- Prohibits a person from altering or amending a certificate of insurance that is not reflective of the policy contract;
- Provides for penalties for any person (the definition of which includes other "legal entities" which the courts have interpreted to include governmental entities) found altering a certificate or demanding or requiring someone to alter a certificate.

There are 13 states that have adopted statute language similar to this bill since 2011.

MAIA would appreciate your support for the bill.

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Michigan Department of Transportation 2020 (02/07)

CERTIFICATE OF INSURANCE FOR PERMITTED ACTIVITIES IN MICHIGAN DEPARTMENT OF TRANSPORTATION RIGHT OF WAY

ALL INSURANCE INFORMATION MUST BE SUBMITTED ON FORM 2020. ANY OTHER FORM IS INVALID.

The subscribing insurance company certifies that insurance of the types and limits of liability listed below have been issued to the insured named below for the policy period indicated.

Such insurance, here certified, is written in accordance with the company's regular policies and endorsements subject to the company's applicable manuals of rules and rate, except that the insurance shall include, but not be limited to, coverage for: (a) underground damage to facilities due to drilling and excavating with mechanical equipment; and (b) collapse or structural injury to structures due to blasting or explosion, excavation, tunneling, pile driving, cofferdam work, or building moving or demolition.

(1) The subscribing company agrees to give 30 days prior written notice to the Michigan Department of Transportation in the event of cancellation or reduction in coverage by the Insurance Company for reasons other than nonpayment of premium.
(2) The subscribing company agrees to give 10 days prior written notice to the Michigan Department of Transportation in the event of cancellation by the Insurance Company for nonpayment of premium.
(3) The subscribing company agrees to give immediate written notice to the Michigan Department of Transportation in the event the contractor cancels or reduces the coverage of any insurance certified below.

NAME OF INSURED	TELEPHONE NUMBER

ADDRESS	Street	City	State	Zip Code

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY DATES (MM/DD/YY) EFFECTIVE	EXPIRATION	CATEGORY	MIN. LIMITS	POLICY AMOUNTS	
	GENERAL LIABILITY				GENERAL AGGREGATE	$ 2,000,000		A
	☐ COMMERCIAL GENERAL				PRODUCTS - COMP/OP AGG.			
	☐ OCCURRENCE				PERSONAL AND ADV. INJURY			
					EACH OCCURRENCE	$ 1,000,000		
					FIRE DAMAGE (Any one fire)			
					MEDICAL EXP(Any one person)			
			AND					
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	$ 1,000,000		B
	☐ ANY AUTO				**OR**			
	☐ ALL OWNED AUTOS				BODILY INJURY (Per person)	$ 500,000		C
	☐ SCHEDULED AUTOS							
	☐ HIRED AUTOS				BODILY INJURY (Per accident)	$ 1,000,000		
	☐ NON-OWNED AUTOS							
	☐				PROPERTY DAMAGE	$ 1,000,000		
	☐							
			OR					
	EXCESS LIABILITY				EACH OCCURRENCE	$ 1,000,000		D
	☐ UMBRELLA FORM							
	☐				AGGREGATE	$ 1,000,000		
	☐							

ADDITIONAL INSURED:
The State of Michigan, Michigan Transportation Commission, Department of Transportation, and governmental bodies performing permit activities under a maintenance contract, and all officers, agents and employees of all the above, for claims arising out of, under, or by reason of operations covered by the permit issued to the permittee. If applicable, _____ (county) and County Road Commission are also insured.

NAME OF INSURANCE COMPANIES AFFORDING COVERAGE	NAME OF AGENCY
COMPANY LETTER	ADDRESS
COMPANY LETTER	
COMPANY LETTER	

BY: (Authorized Representative Signature)	TITLE	DATE	TELEPHONE NUMBER

INSURANCE REQUIREMENTS FOR ACTIVITIES PERFORMED PURSUANT TO A PERMIT ISSUED BY THE MICHIGAN DEPARTMENT OF TRANSPORTATION

The permittee shall have as a minimum an insurance policy as described below, and the insurance company shall be licensed by the State of Michigan.

1. The insurance shall include, but not be limited to, coverage for:

   - Underground damage to facilities due to drilling and excavating with mechanical equipment, and
   - Collapse or structural injury to structures due to blasting or explosion, excavation, tunneling, pile driving, cofferdam work, or building moving or demolition, and
   - According to the following formula: **A+B or A+C or D**

   A. Commercial general liability: The minimum limits shall be $1,000,000 each occurrence and $2,000,000 aggregate.

   B. Combined single limit for bodily injury and property damage liability: . . . . . $1,000,000 each occurrence

   C. Automobile Liability (Minimum Limits):
   Bodily injury: . . . . . $500,000 per person
   . . . . . $1,000,000 each occurrence
   Property damage: . . . . . $1,000,000 each occurrence

   D. The insurance limits, above, may be attained through an umbrella policy.

2. NO WORK IS TO BE PERFORMED WITHOUT THE ABOVE POLICIES BEING CURRENTLY IN EFFECT.

3. Should the policy be canceled or expire, all activities authorized by the permit shall cease and the authority to continue operating within the right of way is deemed of no effect pending reinstatement of such policy in conformity with the above.

4. Proof of insurance shall be the Michigan Department of Transportation (MDOT) Certificate of Insurance for Permitted Activities in MDOT Right of Way form (form #2020), or should the department elect, a copy of the policy or both.

5. All certificates of insurance will be received by the permit issuing offices unless otherwise arranged with the Lansing Utilities and Permits Section.

City of Sterling Heights 2021-SH (12-99)

CERTIFICATION OF INSURANCE

ALL INSURANCE INFORMATION MUST BE SUBMITTED ON FORM 2021 - SH. ANY OTHER FORM IS INVALID

The subscribing insurance company certifies that insurance of the types and limits of liability below have been issued to the insured named below for the policy period indicated. Such insurance, here certified, is written in accordance with the company's regular policies and endorsements subject to the company's applicable manuals of rules and rate, and when indicated below, an endorsement has been added to the policy in conformance with the additional insured language below.

1) The subscribing company agrees to give 30 days prior written notice to the City of Sterling Heights in the event of cancellation or reduction in coverage by the Insurance Company for reasons other than for non-payment of premium.
2) The subscribing company agrees to give 10 days prior written notice to the City of Sterling Heights in the event of cancellation by the Insurance Company for non-payment of premium.
3) The subscribing company agrees to give immediate notice to the City of Sterling Heights in the event the insured cancels, reduces or materially changes any of the insurance coverages certified below.

Send notices to: City of Sterling Heights 40555 Utica Rd., P.O. Box 8009 Sterling Heights, MI 48311-8009

NAME OF INSURED

ADDRESS CITY

STATE ZIP MINIMUM ACCEPTABLE LIABILITY LIMITS: $1,000,000

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY DATES EFFECTIVE	POLICY DATES EXPIRATION	LIMITS (in thousands)	
	GENERAL LIABILITY				GENERAL AGGREGATE	$
	☐ COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG.	$
	☐ OCCURRENCE				PERSONAL AND ADV. INJURY	$
	☐ CONTRACTUAL LIABILITY				EACH OCCURRENCE	$
	☐ PROD/COMPLETED OPER.				FIRE DAMAGE (Any one fire)	$
	☐ X C & U HAZARDS COVERAGE				MEDICAL EXP (Any one person)	$
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	$
	☐ ANY AUTO				BODILY INJURY	$
	☐ ALL OWNED, NON-OWNED & HIRED				PROPERTY DAMAGE	$
	EXCESS LIABILITY				EACH OCCURRENCE	$
	☐ UMBRELLA FORM				AGGREGATE	$
	WORKERS COMPENSATION				☐ STATUTORY LIMITS	$
					☐ OTHER THAN STATUTORY	$

☐ **ADDITIONAL INSURED ON COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY: THE CITY OF STERLING HEIGHTS, INCLUDING ALL ELECTED AND APPOINTED OFFICIALS AND EMPLOYEES AND ALL OTHER INDIVIDUALS WORKING ON BEHALF OF THE CITY.**

NAME OF INSURANCE COMPANIES AFFORDING COVERAGE

CO LTR	COMPANY	A.M BEST RATING

NAME OF INSURANCE AGENCY

ADDRESS

PHONE/FAX

CONTACT PERSON

BY: (Authorized Insurance Representative Signature) PRINT NAME:

TITLE: DATE:

For City of Sterling Heights use only 2021 - SH (12-99)

ITB-SH11-011: TREE AND STUMP REMOVAL

QUESTIONS CONCERNING THIS CERTIFICATE SHOULD BE DIRECTED TO THE CITY OF STERLING HEIGHTS RISK MANAGEF (586) 446-2741

PRIVATE BUSINESS

CERTIFICATE OF LIABILITY INSURANCE

- **DEADLINE: Monday, February 24, 2014**
- **Certificate of Liability Insurance is required by ShowSpan, Inc.**
- Fax this form to your insurance company so that they can send the Certificate to ShowSpan, Inc.

FAX COVER

To: _____
(Write in YOUR INSURANCE AGENT here)

From: _____
(Write in YOUR COMPANY NAME here)

Fax: _____
(Write in YOUR AGENT'S FAX NUMBER here)

DBA: _____
(or any other Company name if applicable)

Phone: _____
(Write in YOUR PHONE NUMBER here)

DBA (additional): _____
(or any other Company name if applicable)

Subject: **REQUEST FOR A CERTIFICATE OF LIABILITY INSURANCE**

MEMO TO YOUR INSURANCE AGENT:

We are participating in a consumer show(s) produced by ShowSpan, Inc., and are required to forward them a certificate of liability insurance.

All certificates:

- Must identify ***Show Michigan Corp. and ShowSpan, Inc.*** as certificate holder
  2121 Celebration Drive NE, Grand Rapids, MI 49525
- Must include Exhibiting Company's Name and ANY dba's that apply must be listed on the certificate
- Must include Commercial General Liability amounts and expiration dates
- Must include the following language under "Description of Operations/Locations"

Show Michigan Corp., ShowSpan, Inc. and their officers, officials, agents and employees are named as additional insureds, held harmless and indemnified including all defense costs as their interests may appear under this agreement. This insurance shall not be cancelled unless thirty (30) days prior written notice has been given to the certificate holder.

ShowSpan, Inc. produces numerous consumer shows and many companies exhibit in multiple shows. **The specific show name(s) and dates do not have to be listed on the certificate** so that it may apply to all ShowSpan, Inc. shows in which the exhibitor takes part.

FORWARD CERTIFICATE OF LIABILITY INSURANCE TO:

ShowSpan, Inc. / Molly Harrison
2121 Celebration Drive NE
Grand Rapids, MI 49525
Fax (616) 447-2861
Email: MollyH@ShowSpan.com

Call Molly Harrison at ShowSpan, Inc. with any questions (616)447-2860 • (800)328-6550 • Ext. 1077

Recent Insurance Guidelines from Department of Human Services for Consumer Action Agencies (CAA).

The Contractor is required to pay for and provide the following types and amounts of insurance:

a. **Commercial General Liability** with the following minimum coverage:

   $2,000,000 General Aggregate Limit other than Products/Completed Operations
   $2,000,000 Products/Completed Operations Aggregate Limit
   $1,000,000 Personal & Advertising Injury Limit
   $1,000,000 Each Occurrence Limit

   Deductible maximum: $50,000 Each Occurrence

   * The Contractor must list the state of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as additional insureds on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

b. If a motor vehicle is used in relation to the Contractor's performance under the agreement, the Contractor must have **vehicle liability insurance** on the motor vehicle, including owned, hired and non-owned vehicles, for bodily injury and property damage as required by law.

   * The Contractor must list the state of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as additional insureds on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

c. The Contractor must provide **Workers' Compensation coverage** according to applicable laws governing work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, the Contractor must provide proof of an approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of the Contractor's domicile, the Contractor must provide certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

   The Contractor must provide the applicable certificates of insurance and a list of states where the coverage is applicable. Contractor must provide proof that the Workers' Compensation insurance policies

contain a waiver of subrogation by the insurance company, except where such a provision is prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

d. **Employers liability insurance** with the following minimum limits:

$100,000 each incident
$100,000 each employee by disease
$500,000 aggregate disease

* The Contractor must list the state of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as additional insureds on the certificate.

e. **Professional Liability** (Errors and Omissions) Insurance with the following minimum coverage: *$3,000,000.00 each occurrence and $3,000,000.00 annual aggregate.*

Deductible maximum: $50,000 Per Loss

f. **Cyber Liability insurance** covering (a) unauthorized acquisition, access, use, physical taking, identity theft, mysterious disappearance, release, distribution or disclosures of personal and corporate information; (b) transmitting or receiving malicious code via the insured's computer system; (c) denial of service attacks or the inability to access websites or computer systems.

Minimal Limits:
$1,000,000 Each Occurrence
$1,000,000 Annual Aggregate

Insurance should cover (a) Unauthorized acquisition, access, use, physical taking, identity theft, mysterious disappearance, release, distribution or disclosures of personal and corporate information; (b) Transmitting or receiving malicious code via the insured's computer system; (c) Denial of service attacks or the inability to access websites or computer systems.

* The Contractor must list the state of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A :	
INSURED	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE / OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY / PRO-JECT / LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Bulletin No. 2008-11-INS

In the matter of

Property and Casualty Certificates of Insurance
_____/

Issued and entered
this 15th day of August 2008
by Ken Ross
Commissioner

Certificates of insurance, evidences of insurance, and similar insurance policy-related documents (collectively "certificates") serve a valuable informational purpose and provide a courtesy summary of the terms of a property and casualty insurance policy to an insured or third party. The Office of Financial and Insurance Regulation (OFIR) is aware, however, that some insurance producers have been asked to provide certificates that purport to amend, extend, or alter the coverage of the underlying policy. Although producers may feel pressured or obligated to provide certificates that revise or misrepresent the actual policy coverage, they are violating Michigan's Insurance Code ("Code") when they do so.

Producers violate the Code when they issue a certificate of insurance that misrepresents the insurance coverage provided under the insurance policy and are subject to administrative fines and license suspension or revocation. MCL 500.1239, provides:

> (1) In addition to any other powers under this act, the commissioner may place on probation, suspend, revoke, or refuse to issue an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions for any 1 or more of the following causes:
>
> * * *
>
> (e) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
>
> * * *
>
> (h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

Furthermore, MCL 500.2005(a), also prohibits a producer or insurer from misrepresenting the terms of an insurance contract, and violations can result in the suspension or revocation of a license and other administrative penalties. That section provides:

An unfair method of competition and an unfair or deceptive act or practice in the business of insurance means the making, issuing, circulating, or causing to be made, issued, or circulated, an estimate, illustration, circular, statement, sales presentation, or comparison which by omission of a material fact or incorrect statement of a material fact does any of the following:

(a) Misrepresents the terms, benefits, advantages, or conditions of an insurance policy.

* * *

A certificate of insurance is typically a mere synopsis of the policy. Where it makes statements that go beyond actual coverage, a company risks changing the policy's terms. These changes are usually accomplished by a printed rider or endorsement form.

To prevent confusion and disputes over coverage, an insurer may well consider including prominently on the certificate a statement such as, "This certificate of insurance neither affirmatively nor negatively amends, extends, or alters the coverage afforded by policy number _____ issued by _____."

The usefulness of such a statement is evidenced by the laws of several states which require it.

OFIR urges all insurers to forward a copy of this bulletin to their producers and to remind their producers of the consequences of providing improper certificates.

Any questions regarding this bulletin should be directed to:

Office of Financial and Insurance Regulation
Attn: Karl Benghauser
611 West Ottawa Street
P.O. Box 30220
Lansing, MI 48909-7720
Phone: (517) 373-4484
Toll Free: (877) 999-6442

Ken Ross

CERTIFICATES OF INSURANCE -STATE STATUTES and/or REGULATIONS. (as of 11-10-2013)

State	Statute	Administrativ Reg/Rule	Filed Form	Form Referenced ACORD	ISO	"Industry Standard"	Info (1) Statemen Required	"No Amendmen Alteration"	"No Hold Harmless"	"No Agent Opinion"	"No Pressure Others"	Sanctions
AL		6/5/2004	X	X	X		X	X		X		Fine/Suspension/Revocation
AK		None Known										
AZ		1/11/2011	X*					X	X			Fine/Suspension/Revocation/F
AR		12/7/2010	X*					X			X	Administrative Penalties
CA	1/15/2011						X					
CO		12/1/2007				X		X	X			Violation
CT		11/9/2010						X				Adm Fine/Suspension/Revocati
DE		None Known										
D.C.		None Known										
FL	7/1/2012	2/21/2003						X	X			Adm Fine/License Discipline
GA	5/1/2011	5/26/2103	X	X	X		X	X	X	X	X	Fine/Suspension/Revocation/F
HI		12/1/2010						X	X			Civil, Adm, Criminal Sanctions
ID	7/1/2012	6/22/2012	X	X	X		X	X			X	Administrative/Criminal Penalt
IL		2/11/2008		X		X	X	X		X		Adm Fine/Suspension/Revocati
IN	7/1/2013	4/3/2009		X	X		X	X	X		X	Adm Fine/Suspension/Revocati
IA		7/13/2010	X	X	X		X	X				Unfair Trade Practice
KS	7/1/2007	8/30/2010	X			X	X	X				None Provided
KY	7/2/1975	4/21/2011	X	X	X		X	X				Fine/Suspension/Revocation
LA	1/1/2011	2/3/2009	X	X	X		X	X			X	Adm/Criminal Penalties
ME		None Known										
MD	10/1/2012	11/7/2008	X	X	X			X	X	X	X	None Provided
MA		4/11/2011	X*					X		X		Law Violation/E&O Exposure
MI		8/15/2008					X	X				Adm Fine/Suspension/Revocati
MN	8/1/2009	6/20/2008	X	X	X		X	X		X		Civil Penalties/License Revocati
MS		3/24/2009	X	X	X		X	X		X		Adm Penalties/Lic Susp/Revoca
MO	7/1/2011	2/8/2010		X	X		X	X		X	X	Adm/Civil Action/Level 2 Violat
MT		8/11/2010	X									Adm Penalties/Lic Susp/Revoca
NEB		12/7/2010	X					X		X		E&O Exposure
NV		None Known										
NH	4/1/2011	7/29/2009	vs 30 da				X	X			X	License Revocation/E&O Expos
NJ		2/28/2011	X					X				Civil Penalties/Lic Revocation/S
NM		1/14/2011	X	X	X		X	X		X		Adm Penalties/Lic Susp/Revoca
NY		1/27/1998	X*	X				X	X			DisciplinaryMeasures
NC		2/1/2010	X	X				X				Fine/Suspension/Revocation
ND	4/1/2011	4/5/2010	X	X	X			X			X	Administrative Action
OH		3/12/2009		X			X	X		X		Penalties/Lic Suspension/Revo

OK		10/12/2010	X			X	X				Adm Penalties/Lic Susp/Revoca
OR		Summer 201(	X*			X	X				Penalties thru Revocation
PA	2006	2/13/2009	X				X				Adm Penalties/Lic Susp/Revoca
RI		3/4/2011					X				Penalties/Lic Suspension/Revo(
SC		None Known									
SD		1/13/2010		X	X	X	X				Class 1 Misdemeanor
TN		3/21/2012					X				Disciplinary Action
TX	1/1/2012	9/8/2006	X	X	X	X	X			X	Adm Penalties/Lic Revocation
UT	7/1/2012	12/20/2012	X	X			X		X	X	Adm Penalties/Lic Susp/Revoca
VT		None Known									
VA	7/1/2012	4/21/2011				X	X			X	Disciplinary Action
WA		5/17/2012					X			X	
WV		2/1/1969	X			X		X			Penalties
WI		8/27/2012	X*	X	X	X	X				Adm Penalties/Lic Susp/Revoca
WY		6/19/2007	X*	X	X	X	X		X		Adm Penalties/Lic Susp/Revoca

(1) Infc

Sources: IIBA Big "I" Virtual University Certificates of Insurance Laws & Regulations 11/10/2013

* Altered Certificate a New Policy in Filed Form State and Violates Statute

Summa