



Acts
2014
Chapter 493 AN ACT RELATIVE TO CERTIFICATES OF INSURANCE

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

The General Laws are hereby amended by inserting after chapter 175K the following chapter:-

Chapter 175L. CERTIFICATE OF INSURANCE

Section 1. As used in this chapter the following words shall have the following meanings, unless the context clearly requires otherwise:

“Certificate of insurance”, a document or instrument, regardless of how titled or described, that is prepared or issued by an insurer or insurance producer as evidence of property or casualty insurance coverage. The term shall not include a policy of insurance, insurance binder, policy endorsement or automobile insurance identification or information card.

“Commissioner”, the commissioner of insurance.

“Insurance producer”, a person required to be licensed under the laws of the commonwealth to sell, solicit or negotiate property casualty insurance.

“Insurer”, any organization that issues property or casualty insurance.

“Person”, any individual, partnership, corporation, association or other legal entity, including any government, governmental subdivision or agency.

Section 2. (a) The commissioner shall prohibit the use of a certificate form if the form: (i) is unfair, misleading, deceptive or violates public policy; or (ii) violates any law or regulation.

(b) A certificate of insurance shall not be represented as nor construed to be a policy of insurance and may not affirmatively or negatively amend, extend or alter the coverage afforded by the policy to which the certificate of insurance makes reference. A certificate of insurance shall not confer to any person new or additional rights beyond what the referenced policy of insurance expressly provides.

Section 3. (a) No person shall: (i) knowingly prepare, issue, request or require the issuance of a certificate of insurance that contains any false or misleading information concerning the policy of insurance to which the certificate of insurance makes reference; or (ii) prepare, issue, request or require the issuance of a certificate of insurance that purports to affirmatively or negatively alter, amend or extend the coverage provided by the policy of insurance to which the certificate of insurance makes reference.

(b) A certificate of insurance may not warrant that the policy of insurance referenced in the certificate comply with the insurance or indemnification requirements of a contract and the inclusion of a contract number or description within a certificate of insurance may not be interpreted as doing so.

Section 4. A person shall be entitled to notice of cancellation, nonrenewal or any material change and to any similar notice concerning a policy of insurance only if the person has such notice rights, under the terms of the policy of insurance or any endorsement to the policy. The terms and

conditions of the notice shall be governed by the policy of insurance or endorsement and shall not be altered by a certificate of insurance.

Section 5. (a) This chapter shall apply to all certificates of insurance issued in connection with property, operations or risks located in the commonwealth regardless of where the policyholder, insurer, insurance producer or person requesting or requiring the issuance of a certificate of insurance is located.

(b) A certificate of insurance or any other document or correspondence prepared, issued, requested or required in violation of this chapter, as determined by the commissioner, shall be null and void.

Section 6. (a) The commissioner shall examine and investigate the activities of any person that the commissioner reasonably believes has been or is engaged in an act or practice prohibited by this chapter.

(b) The commissioner shall enforce this chapter and may issue orders to cease and desist and impose fines of up to \$500 per violation against any person who violates this chapter.

(c) The commissioner may promulgate rules and regulations as are necessary or proper to implement this chapter.

Approved, January 7, 2015.