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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **534**

February 5, 2009

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The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act
1.2 relating to insurance; authorizing and regulating the issuance of certificates of
1.3 insurance; amending Minnesota Statutes 2008, section 60K.46, by adding a
1.4 subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[60A.39] CERTIFICATES OF INSURANCE.**

1.7 **Subdivision 1. Issuance.** A licensed insurer or insurance producer may provide to a
1.8 third party a certificate of insurance which documents insurance coverage. The purpose
1.9 of a certificate of insurance is to provide evidence of insurance coverage and the amount
1.10 of insurance issued.

1.11 **Subd. 2. Approval.** An insurer or licensed producer shall not issue a certificate of
1.12 insurance or other document or instrument that either affirmatively or negatively amends,
1.13 extends, or alters the coverage provided by an approved policy, form, or endorsement
1.14 without the written approval of the commissioner.

1.15 **Subd. 3. Required statement.** A certificate or memorandum of property or casualty
1.16 insurance when issued to any person other than the policyholder must contain the following
1.17 or similar statement: "This certificate or memorandum of insurance does not affirmatively
1.18 or negatively amend, extend, or alter the coverage afforded by the insurance policy."

1.19 **Subd. 4. Cancellation notice.** A certificate provided to a third party must not
1.20 provide for notice of cancellation that exceeds the statutory notice of cancellation provided
1.21 to the policyholder.

1.22 **Subd. 5. Filing.** An insurer not using the standard ACORD or ISO form "Certificate
1.23 of Insurance" shall file with the commissioner, prior to its use, the form of certificate or

2.1 memorandum of insurance coverage that will be used by the insurer. Filed forms may not
2.2 be amended at the request of a third party.

2.3 Subd. 6. **Limits on agent's or producer's authority.** A licensed insurance producer
2.4 does not have the authority to issue an agent's opinion letter or any other correspondence
2.5 purporting an insurance policy provides coverages that the policy does not provide.

2.6 Subd. 7. **Enforcement authority.** The commissioner may restrict, censure, suspend,
2.7 revoke, or refuse to renew an insurance producer's license or may levy a civil penalty
2.8 under section 45.027 or any combination of actions for a violation of this section.

2.9 Sec. 2. Minnesota Statutes 2008, section 60K.46, is amended by adding a subdivision
2.10 to read:

2.11 Subd. 8. **Certificates of insurance.** An insurance producer shall not issue a
2.12 certificate of insurance, or other evidence of insurance coverage that either affirmatively or
2.13 negatively amends, extends, or alters the coverage as provided by the policy, or provides
2.14 notice of cancellation to a third party that exceeds the statutory notice requirement to a
2.15 policyholder.