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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE NO. 534

February 5, 2009
Authored by Davids and Atkins
The bill was read for the first time and referred to the Committee on Commerce and Labor
February 19, 2009
Committee Recommendation and Adoption of Report:
To Pass as Amended and re-referred to the Committee on Civil Justice
March 16, 2009
Committee Recommendation and Adoption of Report:
To Pass as Amended
Read Second Time

A bill for an act

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

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

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

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

Subd. 2. **Prohibition.** An insurer or licensed producer shall not issue a certificate of insurance or other document or instrument that either affirmatively or negatively amends, extends, or alters the coverage provided by a filed policy, form, or endorsement.

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

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

Subd. 5. **Filing.** An insurer not using the standard ACORD or ISO form "Certificate of Insurance" shall file with the commissioner, prior to its use, the form of certificate or memorandum of insurance coverage that will be used by the insurer. Filed forms may not be amended at the request of a third party.

Subd. 6. **Opinion letters.** A licensed insurance producer may not issue, in lieu of a certificate, an agent's opinion letter or other correspondence that is inconsistent with this section.

Subd. 7. **Application.** Nothing in this section shall limit or restrict:

(1) the rights of a policyholder or third party in an action against an insurance producer or insurance company for an error or omission regarding evidence of coverage; or

(2) the rights of a third party against an insurance producer or insurance company resulting from the reliance on a certificate of insurance given to the third party by an insurance producer or insurance company.

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

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