



SB 425 by Carona

Certificate of Insurance Form Approval

Certificates of Insurance are used to provide evidence of policy information and are commonly used for business purposes. Insurance agents are often asked to fill out certificate of insurance forms that have not been approved by the Texas Department of Insurance or are not industry standard forms. In some cases these certificates require the agent to certify coverages and make interpretations of coverage that are vague or impossible to interpret with certainty. Making false or deceptive statements on certificates can be deemed to be a violation of Sec. 541.051 and Sec. 541.061 of the Texas Insurance Code.

Key provisions of legislation:

- Requires all certificate of insurance forms be approved by the Texas Department of Insurance (TDI).
- Nationally standard ACORD, AAIS and ISO forms are deemed approved when filed with TDI.
- The department may charge a filing fee of not more than \$100 at the time the form is filed with TDI.
- An insurance company or an agent who attempts to alter or amend an approved certificate of insurance form for any reason will be subject to a civil penalty.
- Any person or entity who requires the issuance of a certificate on any form that has not been approved by TDI will be subject to a civil penalty.
- All forms must be approved or disapproved within 60 days of filing or will be deemed approved.
- The commissioner may examine and investigate any complaint or allegation of violations and to assess fines for violations.



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):
INSURED	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A:	NAIC #
	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 SUBR		POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
		INSR	WVD					
	GENERAL LIABILITY						EACH OCCURRENCE	\$
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
							MED EXP (Any one person)	\$
							PERSONAL & ADV INJURY	\$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	\$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMPI/OP AGG	\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
	UMBRELLA LIAB							\$
	EXCESS LIAB						EACH OCCURRENCE	\$
	DED RETENTION \$						AGGREGATE	\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS	OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICE/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, 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

TEXAS STATE BOARD OF PLUMBING EXAMINERS
 PO Box 4200 • Austin, Texas 78765-4200
 (800) 845-6584 • (512) 936-5200
 FAX (512) 450-0637
 www.tsbpe.state.tx.us



CERTIFICATE OF INSURANCE

The Master Plumber shall furnish the Texas State Board of Plumbing Examiners with a currently completed Certificate of Insurance not later than 15 days after the expiration of this Certificate of Insurance. This Certificate of Insurance expires on the date that the below named policy expires. This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This Certificate of Insurance neither affirmatively or negatively amends, extends, or alters the coverage afforded by the policy specified herein.

Master Plumber: _____	Master Plumber License #: _____
Business Name: _____	Insurance Company: _____
Business Address: _____ Physical Number and Street	Policy Number: _____ (Binders not accepted)
Mailing Address (if different) _____	Term Dates: _____ / _____ Effective / Expiration
City, State, Zip Code _____	List all exclusions (other than standard) and all deductibles on the back of this page, or state here "THERE ARE NONE."
Business Phone: () _____	_____

Name of Insurance Agency: _____	Name of Agent: _____
Insurance Agency Address: _____	Agent Phone: () _____
City: _____ State: _____ Zip Code: _____	

By my signature below, as an authorized insurance agent licensed to do business in the State of Texas, I hereby sign this certificate of insurance stating that the above policy meets the following minimum standards:

- (1) provides for commercial general liability insurance for the above named Master Plumber for claims for property damage or bodily injury, regardless of whether the claim arises from a negligence claim or on a contract claim; and
- (2) is in a coverage amount of not less than \$300,000 for all claims arising in any one-year period.

 Signature of insurance agent licensed to do business in Texas Printed Name Date

CERTIFICATE HOLDER:
 Texas State Board of Plumbing Examiners
 P.O. Box 4200
 Austin, Texas 78765-4200
 PHONE: (512) 936-5200 FAX (512) 450-0637

CANCELLATION
 Should any of the above described policies be cancelled or reduced, the insurance agent shall notify the Texas State Board of Plumbing Examiners (Certificate Holder) not more than 10 days after non-renewal or cancellation by the insured.

NED PRICE
MEMBER

GEORGE M. COWDEN
CHAIRMAN

DURWOOD MANFORD
MEMBER



CLAY COTTEN
COMMISSIONER OF INSURANCE

STATE BOARD OF INSURANCE

1110 SAN JACINTO
AUSTIN, TEXAS 78701

February 1, 1968

GENERAL CASUALTY BULLETIN NO. 369
AUTOMOBILE SERIES NO. 417
W. C. CIRCULAR LETTER NO. 392

TO ALL INSURANCE COMPANIES, CORPORATIONS, EXCHANGES, MUTUALS, RECIPROCALLS, LLOYDS OR OTHER INSURERS WRITING GENERAL LIABILITY INSURANCE, AUTOMOBILE INSURANCE AND WORKMEN'S COMPENSATION INSURANCE IN THE STATE OF TEXAS, THEIR AGENTS AND REPRESENTATIVES.

CERTIFICATES OF INSURANCE

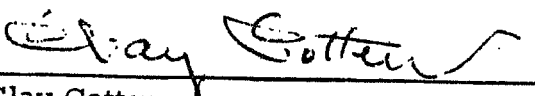
Certificates of Insurance are being executed by some companies and agents which extend coverage beyond that afforded by or intended in the insurance contract being certified.

Certificates that go beyond designating the property or risk insured and the type and limits of coverage provided may become in effect another or separate insurance policy. It appears that many certificates are so broad in their scope as to guarantee a hold harmless status against almost any kind of liability. Issuance or execution of Certificates of Insurance enlarging on authorized or prescribed forms which extend coverage not afforded by the original insurance contract is a violation of the Texas Insurance Code. When such a certificate is executed by a company or agent, the company or agent responsible for this action will be subject to the penalties provided for in the Texas Insurance Code.

Each certificate of insurance issued should contain the following or a similar statement:

This Certificate of Insurance neither affirmatively or negatively amends, extends or alters the coverage afforded by Policy No. _____ issued by _____.

Companies should inform their personnel and agents of the contents of this Bulletin.


Clay Cotten
Commissioner of Insurance

COMMISSIONER'S BULLETIN #B-0035-06

September 8, 2006

TO: ALL COMPANIES, CORPORATIONS, EXCHANGES, MUTUALS, RECIPROCALLS, ASSOCIATIONS, LLOYDS, OR OTHER INSURERS WRITING PROPERTY AND CASUALTY INSURANCE, INCLUDING WORKERS' COMPENSATION INSURANCE, IN THE STATE OF TEXAS; AGENTS AND REPRESENTATIVES; AND THE PUBLIC GENERALLY

RE: CERTIFICATES OF INSURANCE

The Department reminds all carriers and agents that a **certificate of insurance must clearly and accurately state the insurance coverage provided**. A certificate of insurance that **obscures or misrepresents the insurance coverage provided under the insurance policy is a violation of the Insurance Code**, including §§541.051, 541.061, and 4005.101(b)(5) and (6). Additionally, agents are reminded that they are prohibited from altering the terms or conditions of a policy under Insurance Code §§4001.051(c) and 4001.052(b). Violation of the provisions of Chapter 541, 4001, or 4005 may result in administrative penalties and/or license revocation.

The Department is issuing this bulletin because it has received information that indicates **some certificates of insurance provided to contractors are either obscure as to the types of coverage contained in the policy or misrepresent the coverage under the policy**.

As provided in the Department's previously issued General Casualty Bulletin No. 369, Automobile Series No. 417, and W.C. Circular Letter No. 392, dated February 1, 1968, the

Department again highlights sample language that may be used on each certificate of insurance issued:

In compliance with Texas law, this Certificate of Insurance neither amends, extends, or alters any term or condition of the coverage afforded by Policy No. _____ issued by _____ on _____ (date).

Instances of a company or agent issuing or executing a certificate of insurance that obscures or misrepresents coverage under the insurance policy should be reported to the Consumer Protection Division of the Texas Department of Insurance at 1-800-252-3439 or ConsumerProtection@tdi.state.tx.us.

Questions regarding this bulletin may be directed to David Nardecchia, CPCU, Director, Personal and Commercial Lines Division at David.Nardecchia@tdi.state.tx.us.

Link for: [General Casualty Bulletin No. 369](#)



Texas Department of Insurance
Commissioner of Insurance, Mail Code 113-1C
333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104
512-463-6464 telephone • 512-475-2005 fax • www.tdi.state.tx.us

November 23, 2010

Commissioner Bulletin No. B-0049-10

TO: ALL COMPANIES, CORPORATIONS, EXCHANGES, MUTUALS, RECIPROCAL, ASSOCIATIONS, LLOYDS, OR OTHER INSURERS WRITING PROPERTY AND CASUALTY INSURANCE IN THE STATE OF TEXAS, THEIR AGENTS AND REPRESENTATIVES AND THE PUBLIC GENERALLY

RE: EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

The Department reminds insurers and agents that §541.061 of the Insurance Code prohibits misrepresentation of insurance policies by failing to state a necessary material fact, or by making a statement in a manner that would mislead a reasonably prudent person to a false conclusion of a material fact. This issue can arise in commercial property transactions where forms indicating "evidence of insurance" are utilized which state that it is issued as "a matter of information only" or similar language without the contemporaneous issuance of a binding document or policy of insurance. Insurers or agents should not use any form or make attestations that do not accurately reflect what actually exists for the benefit of the policyholder or beneficiary, whether the form or attestation references a binder, policy, or action to be taken by the insurer with regard to issuing a binder or policy. Additionally, an insurer or its agent should not issue or sign forms that create rights and obligations outside the insurance contract.

Further, Section 549.055 of the Insurance Code provides in part, "(a) A lender that requires a borrower to secure insurance coverage before the lender will provide a residential mortgage or commercial real estate loan must accept an insurance binder as evidence of the required insurance and may not require the borrower to provide an original insurance policy instead of a binder if:

(3) the binder will be replaced by an original insurance policy for the required coverage on or before the 30th day after the date the binder is issued."

The Department suggests that there be open and full communication with all parties associated with a commercial property transaction regarding the

requirements and obligations of each party with respect to the law and that the parties plan accordingly. Further, any binder reflecting an insurance agreement required and provided pursuant to Section 549.055(a) of the Insurance Code must be followed by delivery of a policy on or before the 30th day after the binder is issued.

Questions regarding this bulletin should be directed to David Durden, Associate Commissioner, Public Affairs at david.durden@tdi.state.tx.us or 512.463.6410.

A handwritten signature in black ink that reads "Mike Geeslin". The signature is written in a cursive, flowing style.

Mike Geeslin
Commissioner of Insurance