

State of Idaho

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BULLETIN NO. 08-03

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TO: Property and Casualty Insurers and Producers writing Property and Casualty Business in Idaho

FROM: William W. Deal, Director

SUBJECT: Certificates of Insurance

The purpose of this bulletin is to remind writers and producers of property and casualty insurance that the purpose of a certificate of insurance is to provide evidence of insurance in lieu of an actual copy of the applicable insurance policy. As previously discussed in Bulletin 68-1, a certificate of insurance must clearly and accurately state the insurance coverage provided by the underlying policy and may not be used to alter, expand or in any way modify the terms of the underlying policy. It is not appropriate to issue an "open ended" certificate of insurance, and the certificate of insurance should clearly identify the policy expiration date.

A person who issues a certificate of insurance that is inconsistent with the underlying insurance policy is misrepresenting the terms of an insurance policy and may be subject to administrative or even criminal penalties for violating Idaho law. See, for example, Idaho Code Sections 41-1016 (illegal for producer to misrepresent the terms of an insurance contract), 41-1303 (illegal for any person to make a statement misrepresenting terms of a policy) and 41-293(1)(c) (insurance fraud includes presenting to a person, with intent to defraud or deceive, a false statement material to an insurance transaction).

In addition, any document intended to amend, add to or otherwise modify the terms of an insurance policy is considered a part of the policy under Idaho Code Section 41-1802 and is required by Section 41-1812 to be filed with the Department before it may be used in this state. It is a violation of this requirement for any person to issue a certificate of coverage that is not consistent with the underlying policy if the certificate has not first been filed with the Department of Insurance. Further, any change to the terms of the underlying policy should be accompanied by a filing of adjusted premium rates to reflect the changes in coverage terms.

To make certain that certificates of insurance do not mislead or result in confusion as to the terms of the underlying insurance policy, certificates of insurance used in this state are to include the following or similar statement:

This Certificate of Insurance neither affirmatively nor negatively amends, extends, nor alters the coverage afforded by the policy or policies numbered in this certificate.

Issued by: _____ *(Company)*

Issued to: _____ *(Insured)*

Policy Effective Date (s): _____

Policy Expiration Date : _____

Certificates of insurance that are in compliance with Bulletin 68-1 and this bulletin are not required to be filed with the Department of Insurance before being used.