

**SENATE . . . . . No. 2402**

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The Commonwealth of Massachusetts

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**In the Year Two Thousand Fourteen**  
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SENATE, Wednesday, November 26, 2014

The committee on Ways and Means, to whom was referred the Senate relative to certificates of insurance (Senate, No. 2077),- reports, recommending that the same ought to pass with an amendment substituting a new draft of the same title (Senate, No. 2402).

For the committee,  
Stephen M. Brewer

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**In the Year Two Thousand Fourteen**  
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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:*

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

3           Chapter 175L. CERTIFICATE OF INSURANCE

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

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

10          "Commissioner", the commissioner of insurance.

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

13 "Insurer", any organization that issues property or casualty insurance.

14 "Person", any individual, partnership, corporation, association or other legal entity,  
15 including any government, governmental subdivision or agency.

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

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

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

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

33           Section 4. A person shall be entitled to notice of cancellation, nonrenewal or any material  
34 change and to any similar notice concerning a policy of insurance only if the person has such  
35 notice rights, under the terms of the policy of insurance or any endorsement to the policy. The  
36 terms and conditions of the notice shall be governed by the policy of insurance or endorsement  
37 and shall not be altered by a certificate of insurance.

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

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

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

48           (b) The commissioner shall enforce this chapter and shall have the authority to issue  
49 orders to cease and desist and to impose a fine of up to \$500 per violation against any person  
50 who violates this chapter.

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