

# Certificates of insurance

## What is a certificate of insurance and what can it do?

A certificate of insurance is a document that summarizes the terms, conditions and duration of an insurance contract, but it is not the contract itself. It shows what type of insurance is in place at the time it is requested. It does not tell you what is in place a month from now or a year from now. This is why it is commonly referred to as a "point in time" or a "snapshot in time" document. It was originally created to serve as an outline of coverages in place and was used in lieu of producing the entire policy for review.

## What can a certificate NOT do?

A certificate cannot alter, amend or change any coverages that are currently in place. No changes can be made to the policy by way of using the certificate to describe coverages. If any provision of a certificate of insurance purports to alter, amend or otherwise alter the terms of an applicable insurance policy, that form is not filed with the state.

Connecticut Section 38a-816 of the state insurance financial guaranty law requires that any certificate of insurance purporting to alter, amend or otherwise alter the terms of an applicable insurance policy, that form is not filed with the state. Connecticut Section 38a-816 of the state insurance financial guaranty law requires that any certificate of insurance purporting to alter, amend or otherwise alter the terms of an applicable insurance policy, that form is not filed with the state. Connecticut Section 38a-816 of the state insurance financial guaranty law requires that any certificate of insurance purporting to alter, amend or otherwise alter the terms of an applicable insurance policy, that form is not filed with the state. Connecticut Section 38a-816 of the state insurance financial guaranty law requires that any certificate of insurance purporting to alter, amend or otherwise alter the terms of an applicable insurance policy, that form is not filed with the state.

## What rights or coverages does a certificate holder have?

*None.* If a certificate holder is not listed on the policy as an additional insured, the certificate gives no coverage or rights to the certificate holder. The only way someone can be listed as an additional insured is by endorsing the original policy. The certificate, according to its clear language, is not part of the policy and does not endorse a certificate of insurance.

## What can a Connecticut Insurance Broker do without a certificate?

The Connecticut Insurance Department has issued a bulletin 14-14, which provides guidance to purchasers of insurance policies. The law on this subject, specifically the provisions of the Connecticut Unfair Insurance Practices Act at Conn. Gen. Stat. Sections 38a-815 and 38a-816(l)(a), provides that it is an unfair insurance practice to make, issue or circulate a statement that "[m]isrepresents the benefits, advantages, conditions or terms of any insurance policy..." Such a violation subjects the person making such a statement to fines, license revocation or suspension and orders of restitution pursuant to Conn. Gen. Stat. Section 38a-817." This bulletin remained the law on the subject until the 2014 passage of Public Act 14-74.

## What can a certificate not allow a broker to do for me?

Your insurance agent must have a completed certificate of insurance that acknowledges effective dates, what coverages are in place, what policies, endorsements and limits are in place and that the certificate is on file.

## Generally, your agent CANNOT:

- add language at the request of the certificate holder when it does not exist in the policy (for example, a primary and noncontributory clause, waiver of subrogation or hold-harmless agreement);
- provide coverage to someone who is not designated in the policy as an insured entitled to coverage; or
- provide notice of policy cancellation to someone who is not designated in the policy as entitled to such notice.

The following cases are examples where courts have refused to permit the coverages implied on a certificate of insurance:

*United States Pipe & Foundry Co. v. United States Fidelity & Guaranty Co.*, 505 F.2d 88 (5th Cir. 1974);

*Lezak & Levy Wholesale Meats Inc. v. Illinois Employees Insurance Co.*, 460 N.E.2d 475 (Ill. Ct. App. 1984);

*Pekin Insurance Co. v. American Country Insurance Co.*, 572 N.E.2d 1112 (Ill. Ct. App. 1991);

*Bradley Real Estate Trust, et al. v. Plummer & Rowe Insurance Agency Inc.*, 609 A2d 1233 (Sup. Ct. NH, 1992); and

*Glynn v. United House of Prayer For All People*, 741, N.Y.S.2d 499 (N.Y. App. Div., 2002).



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