
DIGEST

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Baldone

HB No. 623

Abstract: Defines certificates of insurance, prohibits their issuance to alter an insurance policy, and provides for their form.

Proposed law defines a "certificate of insurance", as used by property and casualty insurers, as a document issued on or behalf of an insurer to a third party who has not contracted with the insurer to purchase an insurance policy and is provided for informational purposes only to advise a third party of the existence and limits of insurance coverage issued to the named insured. Further defines an "insurance producer" as a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance, including all persons or business entities otherwise referred to in present law as "insurance agent" or "agent", "insurance broker" or "broker", "insurance solicitor" or "solicitor", or "surplus lines broker".

Proposed law prohibits any property or casualty insurer or insurance producer from issuing a certificate of insurance or any other type of document purporting to be a certificate of insurance that will affirmatively or negatively alter, amend, or extend the coverage provided by the referenced insurance policy.

Proposed law further provides that any insurer or insurance producer issuing such a certificate shall only be authorized to use certain specific forms or a form filed with and approved by the commissioner of insurance. Additionally authorizes the commissioner, pursuant to the APA, to adopt reasonable and necessary rules to carry out the purposes of proposed law.

(Adds R.S. 22:881.1)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Specifies that certificates of insurance are used by property and casualty insurers and are provided only for informational purposes.
2. Deletes language prohibiting an insurer or producer from issuing any other type of instrument which either affirmatively or negatively alters, amends, or extends the coverage provided by the attendant underlying policy, other than a rider, endorsement, or application attached to or made part of the policy. Instead prohibits such issuance of any other type of document purporting to be a certificate of insurance that will

affirmatively or negatively alter, amend, or extend the coverage provided by the referenced insurance policy.

3. Provides that a certificate of insurance shall not convey any contractual rights to the certificate holder.