

RÉSUMÉ DIGEST

ACT 278 (HB 476)

2016 Regular Session

Huval

Existing law defines certain terms as those terms relate to certificates of insurance. New law adds a definition of "lender" to those defined terms.

Existing law prohibits a property or casualty insurer or insurance producer from issuing a certificate of insurance that affirmatively or negatively alters, amends, or extends insurance coverage.

Prior law prohibited persons from preparing, issuing, or requesting the issuance of a certificate of insurance for in-state risks unless done so on a form that has been filed with and approved by the commissioner of insurance (commissioner).

New law makes an exception to prior law by providing that lenders may prepare, issue, or request the issuance of a certificate of insurance for in-state risks if the certificate is issued on a form promulgated by the Association for Cooperative Operations Research and Development (ACORD), the American Association of Insurance Services (AAIS), or the Insurance Services Office (ISO).

Prior law required the commissioner to disapprove any form that met certain criteria. New law repeals prior law.

Prior law allowed the commissioner to approve a form that does not state that the form is provided for information only if the form states that the certificate does not confer any rights or obligations other than those in the policy. New law repeals prior law.

Prior law required the commissioner to approve or disapprove a certificate form in writing within 45 days of receipt of the form. New law repeals prior law.

Prior law provided that standard forms promulgated by ACORD, AAIS, or ISO can be filed, and deemed approved by the commissioner, provided the forms complied with prior law. New law repeals prior law.

Prior law prohibited persons from preparing, issuing, or requesting an opinion letter or other document that is inconsistent with existing law. New law provides that no person may request an insurance producer to prepare or issue such opinion letter or other document. New law also provides that new law does not apply to lenders or to certificates required or requested by a lender from a policyholder.

Prior law provided that either an insurance producer or insurer may be asked to provide an addendum to a certificate of insurance that clarifies, explains, summarizes, or provides a statement of the coverages provided by an insurance policy. New law provides that only the insurer may be asked to provide an addendum to a certificate of insurance that clarifies, explains, summarizes, or provides a statement of the coverages provided by an insurance policy. Further provides that an insurance producer may not be asked to provide any additional documents other than a certificate of insurance, other than by a lender.

Existing law provides that the provisions of existing law and new law apply to certificate holders, policyholders, insurers, insurance producers, and certificate of insurance forms issued as a statement of coverage on property, operations, or risks in the state.

Prior law required that no certificate of insurance contain references to legal or insurance requirements contained in any contracts other than the underlying contracts of insurance including construction or service contracts.

New law changes prior law by providing that the certificates must not include legal or insurance requirements of the underlying contract including construction or service contracts. New law further requires that the certificate list only the specific forms or endorsements contained in the underlying contracts of insurance. New law prohibits a certificate holder or other interested party, other than a lender, from requiring an interpretation of the forms and endorsements to an insurance policy that are listed on a certificate of insurance.

Effective August 1, 2016.

(Amends R.S. 22:890)