Chapter 120-2-103

Certificates of Insurance

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§ 120-2-103-.01 Statutory Authority

This regulation is made and promulgated by the Insurance Commissioner pursuant to the authority set forth in Code Sections 33-2-9 and 33-24-19.1(p).

§ 120-2-103-.02 Purpose

The purpose of this regulation is to establish guidelines, procedures and best business practices for the issuance and delivery of property and casualty certificates of insurance in the State of Georgia.

§ 120-2-103-.03 Applicability

This regulation shall apply to all certificate holders, policyholders, insurers, insurance producers, and certificate of insurance forms issued as evidence of insurance coverages on property, operations or risks located in this state, regardless of where the certificate holder, policyholder, insurer or insurance producer is located.

§ 120-2-103-.04 Definitions

For the purpose of this regulation:

(1) "Certificate" or "certificate of insurance" means any document or instrument, no matter how titled or described, which is prepared or issued by an insurer or insurance producer as evidence of property or casualty insurance coverage. "Certificate" or "certificate of insurance"

shall not include a policy of insurance, policy endorsement or insurance binder, including any policy of insurance which may be referred to as a certificate, or any insurance information card or identification card issued in conjunction with a motor vehicle insurance policy.

(2) "Certificate holder" means any person, other than a policyholder, who requests, obtains, or possesses a certificate of insurance.

(3) "Commissioner" means the Commissioner of Insurance for the State of Georgia.

(4) "Insurance Producer" means a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance.

(5) "Insurer" means any person engaged as indemnitor, surety, or contractor who issues insurance as defined by Code Sections 33-7-3 and 33-7-6. Insurer shall not mean any offering of accident, sickness, or disability insurance by a fraternal benefit society, as provided under Code Section 33-15-60; nonprofit medical service corporations, as provided under Chapters 18 and 19 of Title 33; health care plans, as provided under Chapter 20 of Title 33; health maintenance organization, as provided under Chapter 21 of Title 33; any provisions of accident and sickness insurance policies generally, as provided under Code Sections 33-24-20 through 33-24-31; individual accident and sickness insurance, as provided under Chapter 29 of Title 33; or group or blanket accident and sickness insurance, as provided under Chapter 30 of Title 33.

(6) "Person" means any individual, partnership, corporation, association, or other legal entity, including any government or governmental subdivision or agency.

(7) "Policyholder" means a person who has contracted with a property and casualty insurer for insurance coverages.

§ 120-2-103-.05 Approval of Certificates

(1) No person, wherever located, may prepare, issue, or request the issuance of a certificate of insurance unless the form has been filed with and approved by the Commissioner. Forms shall be submitted in the same manner as any other form filing through the SERFF filing system with applicable filing fees submitted electronically. Only insurers may file certificates for approval.

(2) Only current certificate of insurance forms promulgated by the Association of Cooperative Operations Research and Development (ACORD) or the Insurance Services Office (ISO) are deemed approved by the Commissioner and are not required to be filed if the forms otherwise comply with the requirements of this regulation and Code Section 33-24-19.1. Superseded editions of ACORD and ISO certificate of insurance forms shall also be deemed approved, however, as long as ACORD and ISO permit their use during periods of transition.

(3) The Commissioner shall disapprove a certificate filed under Rule and Regulation 120-2-103-.04 or withdraw approval of a form, if the form:

(a) is unjust, unfair, misleading, or deceptive or violates public policy;

(b) fails to comply with the requirements of section (4) of this Section;

(c) violates any law, including any regulation adopted by the Commissioner.

(4) Each certificate of insurance must contain the following or similar statement: **"This certificate of insurance is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage, terms exclusions and conditions afforded by the policies referenced herein."**

(5) The Commissioner has authority and may approve a certificate filed under this section which does not state that the form is provided for informational purposes only, if such form contains at a minimum the following statement: **"This certificate of insurance does not amend, extend, or alter the coverage, terms, exclusions, and conditions afforded by the policies referenced herein."** Forms filed under this provision shall state the limited use of the form and the insurer and producer shall only use the form for those stated and approved situations. The limited use provision may include, but not be limited to, mortgagee requirements or lending transactions. Any person requiring or using the limited use certificate outside of its intended use as stated in the filing by the insurer shall be subject to the penalty provisions of this regulation.

§ 120-2-103-.06 Requirements

Insurers shall provide to their producers written instructions clearly outlining the insurer's procedures and each party's responsibilities for issuing and servicing certificates. These instructions shall include but not be limited to:

(a) The procedure for issuing notice of cancellation to certificate holders when such notice is required by the insurance contract or statute.
(b) The procedure for retaining copies of all certificates issued by or on the behalf of the insurer by the producer. Retention or providing of copies may be done electronically.
(c) The procedure to monitor certificates to ensure they have been issued in compliance with the insurer's procedures, applicable statute and this regulation.

§ 120-2-103-.07 Prohibited Practices

(1) No person, wherever located, shall demand or request the issuance of a certificate of insurance from an insurer, insurance producer, or policyholder that contains any false or misleading information, or which purports to affirmatively or negatively amend, extend, modify or alter in any way the coverage or any other term or condition concerning the policy of insurance to which the certificate makes reference. A certificate of insurance

shall not confer to a certificate holder new or additional rights beyond what the referenced policy expressly provides.

(2) No certificate of insurance shall contain references to or language from a construction or service contract, other than that referenced in the contract of insurance. The certificate may contain a reference or contract number from the construction or service contract for identification purposes only. This may include but not be limited to project number, project name, project description or a general description of work to be performed. Nothing in the certificate can refer to any language or contents in the construction or service contracts.

(3) Neither an insurer nor a producer shall be required to issue an opinion letter or other document in addition to or in lieu of a certificate of insurance. If any opinion letter or other such document is issued, however, it must meet the provisions of this regulation and Code Section 33-24-19.1. Insurers and producers may provide the certificate holder with the certificate and an actual copy of the policy, insurance binder or relevant policy provision to demonstrate contractual compliance.

§ 120-2-103-.08 Penalties

Any person, no matter where located, who commits a violation of this regulation or requests information to be provided which is in conflict with this regulation may be subject to a fine not to exceed $5,000 per violation.

§ 120-2-103-.09 Severability

If any rule or portion of a rule in this chapter or the applicability thereof to any particular circumstances is held invalid by a court of competent jurisdiction, the remainder of the rules or the applicability of such provision to other persons or circumstances shall not be affected.