



CHESTER J. CULVER
GOVERNOR

SUSAN E. VOSS
COMMISSIONER OF INSURANCE

PATTY JUDGE
LT. GOVERNOR

BULLETIN 10-04

To: Iowa Insurance Companies and Licensed Producers

From: Susan E. Voss, Insurance Commissioner

Re: Certificates of Insurance

Date: July 13, 2010

Certificates of insurance serve an important informational purpose and provide a courtesy synopsis of policy coverage and limits to an insured or third party. The Iowa Insurance Division (IID) previously addressed the proper usage of certificates of insurance in August 2007 (Bulletin 07-04).

The IID is aware that an insurance customer may ask an insurance company or an insurance producer to issue a certificate of insurance to incorrectly state the existence of certain contractual rights or to incorrectly purport to amend, extend, or alter the terms of the referenced policy.

This Bulletin is issued to remind insurers and insurance producers that certificates of insurance do not convey any contractual rights. The terms and conditions of insurance coverage are governed by the policy and cannot be altered by a certificate of insurance. The information presented on the certificate of coverage should not differ from the coverage or conditions that are a part of the contract.

Iowa Code section 515.102(2009) authorizes the IID to examine and approve the use of all policy-related forms issued by an insurance company doing business in the state. Effective September 1, 2010, this requirement will be interpreted to require the approval of all certificate of insurance forms before such forms may be used. Standard certificate of insurance forms that have been filed by either the Association for Cooperative Operations Research and Development (ACORD) or the Insurance Services Office (ISO) and approved by the IID are not required to be filed again by an insurance company. In that situation, an insurance company only needs to submit to the IID a filing that indicates adoption by that company of a particular ACORD or ISO form. Filing instructions are listed on the IID web site (www.iid.state.ia.us).

Each certificate of insurance filed with IID or issued by an insurer or producer must contain the following or a substantially similar statement:

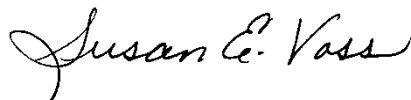
This certificate of insurance is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the insurance policy referenced herein.

Any alteration to a form previously approved by the Division negates the Division's approval of the approved form and subjects any person using the altered form to administrative penalties. If a previously approved form is changed, it must be submitted to the Division again for approval.

Adding any incorrect statement to a certificate of insurance that either states the existence of certain contractual rights or purports to amend, extend, or alter coverage or notice provisions of an insurance policy could be found to be an unfair trade practice under Iowa insurance law.

This Bulletin applies to any certificate of insurance issued for property or operations located in this state.

This Bulletin shall also serve to provide notice that the IID intends to commence formal rulemaking to provide further guidance and establish penalties related to improper use of certificates of insurance.

A handwritten signature in cursive script that reads "Susan E. Voss".

Susan E. Voss
Iowa Insurance Division