

TO: Property & Casualty Insurance Companies and Producers doing business in Pennsylvania

FROM: Ronald A. Gallagher, Jr.,
Deputy Insurance Commissioner
Pennsylvania Insurance Department

DATE: February 3, 2009

RE: Notice regarding use of Certificates of Insurance in Pennsylvania

Notice to Property & Casualty Insurance Companies and Producers Issuing Certificates of Insurance in Pennsylvania

"Certificates of Insurance" regarding Property & Casualty coverage are typically used to provide proof of liability insurance to and summarize the terms of a policy for a third party in lieu of providing the third party with a complete copy of the policy. This notice clarifies the acceptable use of certificates of insurance with respect to Property & Casualty insurance policies in Pennsylvania.

Certificates of insurance that clearly and accurately state the insurance coverage provided to an insured or third party are not forms subject to filing with the Insurance Department because these certificates do not in any context amend, extend or alter coverage of the insurance policy. They simply summarize the coverages provided by that policy.

Where an insurer or insurance producer uses a certificate of insurance or other evidence of coverage that goes beyond or does not accurately summarize the policy, the insurer or producer may be misrepresenting the policy language, terms, conditions or coverage limits as issued by the insurer. Similarly, language included in a certificate that amends or extends coverage of the underlying policy or states that coverage is actually in force when it is not constitutes a misrepresentation of the coverage provided by the policy; as such, any insurer or producer issuing such a certificate would be in violation of Pennsylvania insurance statutes and regulations. Additionally, when a certificate of insurance is used in such a manner that it attempts to modify the terms and conditions of coverage this may subject the certificate to the filing requirements of 31 Pa. Code Chapter 89b. Violations of Pennsylvania statutes and regulations may be subject the person issuing or providing the certificate to administrative penalties including possible license suspension or revocation and civil monetary penalty.

Questions regarding this notice may be directed to Jack Yanosky, Director of Licensing and Enforcement for the Pennsylvania Insurance Department, at 717-783-2627.