

12102293D

HOUSE BILL NO. 960

Offered January 11, 2012

Prefiled January 11, 2012

A *BILL to amend the Code of Virginia by adding in Chapter 5 of Title 38.2 a section numbered 38.2-518, relating to unfair trade practices; certificates of insurance.*

Patron—Bell, Robert B.

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 5 of Title 38.2 a section numbered 38.2-518 as follows:

§ 38.2-518. *Certificates of insurance.*

A. As used in this section, "certificate of insurance" means a document, regardless of how titled or described, that is provided to a third party and is prepared or issued by an insurer or insurance producer as a statement or summary of an insured's property or casualty insurance coverage. The term does not include any (i) policy of insurance, (ii) insurance binder, (iii) policy endorsement, (iv) automobile identification card, (v) certificate issued under a group or master policy, or (vi) evidence of coverage provided to a lender in a lending transaction involving a mortgage, lien, deed of trust, or other security interest in or on any real or personal property.

B. No person shall issue or deliver any certificate of insurance that attempts to confer any rights upon a third party beyond what the referenced policy of insurance expressly provides.

C. No certificate of insurance may represent an insurer's obligation to give notice of cancellation or nonrenewal to a third party unless the giving of such notice is required by the policy.

D. No person shall issue or deliver a certificate of insurance unless it contains a statement substantially similar to the following: "This certificate of insurance is issued as a matter of information only. It confers no rights upon the third party requesting the certificate beyond what the referenced policy of insurance expressly provides. This certificate of insurance does not extend, amend, or alter the coverage, terms, exclusions, or conditions afforded by the policy referenced in this certificate of insurance or any evidence of coverage provided to a lender in a lending transaction involving a mortgage, lien, deed of trust, or other security interest in or on any real or personal property."

E. No person shall knowingly demand or require the issuance of a certificate of insurance from an insurer, insurance producer, or policyholder that contains any false or misleading information concerning the policy of insurance to which the certificate makes reference.

F. No person shall knowingly prepare or issue a certificate of insurance that contains any false or misleading information or that purports to affirmatively or negatively alter, amend, or extend the coverage provided by the policy of insurance to which the certificate makes reference.

G. The provisions of this section 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 the Commonwealth.

INTRODUCED

HB960