

## VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to amend and reenact § 38.2-515 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 5 of Title 38.2 a section numbered 38.2-518, relating to unfair insurance trade practices regarding certificates of insurance.*

[S 47]

Approved

**Be it enacted by the General Assembly of Virginia:**

**1. That § 38.2-515 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 5 of Title 38.2 a section numbered 38.2-518 as follows:**

**§ 38.2-515. Power of Commission.**

A. The Commission shall have power to examine and investigate the affairs of each person subject to this chapter to determine whether such person has been or is engaged in any unfair method of competition or in any unfair or deceptive act or practice prohibited by §§ 38.2-502 through 38.2-514 this chapter.

B. The Commission is further empowered to gather information from any person subject to this chapter relative to trade practices and whether such practices adequately and fairly serve the public interest.

C. Any person who refuses or fails to provide information in a timely manner to the Commission as provided in this section shall be subject to the enforcement and penalty provisions set forth in Chapter 2 (§ 38.2-200 et seq.) of this title.

**§ 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 substantially similar statement 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." If a certificate of insurance is required by a state or federal agency and accurately reflects the coverage provided by the underlying policies, no such statement is required.

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 a statement or summary of insurance coverages on property, operations, or risks located in the Commonwealth.

ENROLLED

SB47ER