



# Illinois Department of Financial and Professional Regulation

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## Division of Insurance

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Governor

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Secretary

MICHAEL T. McRAITH  
Director  
Division of Insurance

February 11, 2008

MEMO TO: Insurance Companies and Producers  
FROM: Michael T. McRaith, Insurance Director  
RE: Certificates of Insurance

The Division of Insurance is aware that some insurance producers or insurers are being asked to issue reprinted Certificate of Insurance forms which include language that may amend or alter coverage of the underlying policy. These certificates of insurance are typically used in lieu of providing a full copy of the policy and serve as proof of liability insurance and to summarize terms of the policy. This memorandum is to clarify the use of certificates of insurance by producers or insurers in Illinois.

Certificates of insurance must clearly and accurately state the insurance coverage provided. Any certificate of insurance issued by an insurer, broker or producer that obscures or misrepresents the insurance coverage provided under the insurance policy is a violation of the Illinois Insurance Code and may subject the issuer to administrative penalties and/or license suspension or revocation. Therefore, an insurance agent or broker may not issue a certificate of insurance that does not accurately represent the terms or conditions of the policy without written authority from the insurer to alter the terms or conditions of that policy or unless they have the written underwriting authority to do so. Any requests to include a notice provision that binds the carrier when such provision is not contained in the policy would not be in compliance with the Illinois Insurance Code.

When an insurer or insurance producer, acting as the insurer's agent, executes a certificate of insurance or other evidence of coverage which goes beyond a mere synopsis of the policy, the insurer, broker or producer may be exceeding the policy language filed with the Division. If an insurer, broker or its producer includes any statement in the certificate of insurance, the purpose of which is to amend or extend coverage under the underlying policy, including references to construction contracts, service contracts or insurance requirements, the insurer, broker or producer is, in effect, changing the policy terms. By issuing such a certificate, the insurer, broker or producer is in violation of the Illinois Insurance Code.

The Illinois Insurance Code authorizes the Insurance Director to place on probation, suspend or revoke a producer's license if the producer or broker intentionally misrepresents the terms of an actual or proposed insurance contract. A producer or broker who signs a certificate of insurance or issues an opinion that the producer or broker knows, alters or amends the coverages of the underlying policy, may be in violation of this section and thereby be subject to appropriate penalties under the Code.

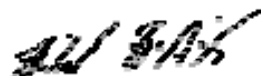
Certificates of insurance whether using an Accord from or some other form of certificate of insurance can not provide false information.

All certificates of insurance shall contain the following or similar language: The certificate of insurance neither affirmatively nor negatively amends, extends nor alters the coverage afforded by the policies listed thereon. An industry standard setting organization may be authorized by the Director of Insurance to file certificate of insurance forms on behalf of authorized insurers.

The following guidelines should be reviewed and adhered to by insurers and producers when issuing certificates of insurance:

1. No licensed insurer or its licensed broker or producer may issue a binder, certificate of insurance or indemnity agreement or any other type of instrument which either affirmatively or negatively amends, extends or alters the coverage provided by its approved policy forms and endorsements.
2. Each certificate or memorandum of property or casualty insurance issued should contain the following or similar statement: "This certificate or memorandum of insurance neither affirmatively nor negatively amends, extends, or alters the coverage afforded by policy number \_\_\_\_\_ issued by \_\_\_\_\_ on \_\_\_\_\_.
3. No certificate of insurance shall contain references to construction contracts, service contracts or insurance requirements for the purpose of amending coverage afforded by the policies to which the certificate makes reference. No certificate of insurance may be used to amend, extend, restrict or alter coverage afforded by the policies to which the certificate of insurance makes reference.

If you have any questions regarding the information in this memorandum, you may contact Michael Teer (217) 782-1784 at the Illinois Division of Insurance.



Michael T. McRaith  
Director of Insurance