2011 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2062

2011 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2062
1/12/2011
Job Number 12788

☐ Conference Committee

Committee Clerk Signature Ela Luebelt

Explanation or reason for introduction of bill/resolution:

Relating to property and casualty certificates of Insurance

Minutes: 6 attachments

Chairman Senator Klein: Called the meeting to order. He then said that this bill will be scheduled to hear again at another date to take additional information that may not be given today.

Senator Oehlke: He commented about how approving a proof of insurance has changed. It is now almost that the certificate of insurance is providing coverage. It becomes difficult for agents to put a lot of these things on certificates of insurance that some of the larger companies want. The insurance industry then came out with certificates of insurance that they feel are standard comprehensive forms. (Handout of what certificate of insurance might look like provided, attachment 1). They are for a reference material. The larger companies want these certificates of insurance to shift more of the burden to the sub contractor and provide coverage's that you can't do on a certificate of insurance. Some of those things should be provided as an endorsement onto a policy. A contract must be sent in order for anything to be put on the certificate of insurance and the insurance company would review it with the underwriter and legal department. These sub contractors want it done and we can't always do everything the contract wants. There is an effort with this bill to make a standard certificate that will provide the necessary information for the people that want the certificates of insurance but not to make it such that it puts an insurance agent in a bind because they can't put into the certificate everything that they want.

Chairman Senator Klein: Is this a new problem?

Senator Oehlke: Not really new, it has become predominate in the western part of the State because of the new companies coming in and demanding more things. I think it is more of national issue. We want it to be more uniformed. The insurance agency has a standard form. The one we are looking at here is flexible enough to fit into that without any problem.

Senator Murphy: The problem he has heard from constituent insurance agents is one of the basic ideas behind this bill is the immunibility of the certificate once it is done. They don't want it changed and that was a problem in the past.

Senator Oehlke: He likes the idea of having a standard certificate not one that is able to be changed. It puts a burden on the person preparing the certificate and in most of the cases some may not even be agents.

Senator Andrist: Does this certificate of insurance specify the limit of coverage so they know what is covered and what isn't?

Senator Oehlke: The certificates give the basic information they have a section for general liability coverage, automobile coverage and what the limit of liability are. The problem is that the certificate is good for an extended period of time. They want certain language crossed out and insurance going longer than 30 days. It is suppose to be a snap shot of what that person's insurance coverage is at that point and time. If they want to have notice that the insurance is changing then they need to be indorsed onto that policy. He continued with examples of other situations.

Senator Nodland: Asked if there was a demand to make the certificates a whole policy or to summarize the policy.

Senator Oehlke: Basically, but not good terminology.

Senator Laffen: We get this required of us a lot from the universities in the State, they will ask us, when we write a contract to provide a certificate of insurance. We use a very similar form; does that make the University the certificate holder?

Senator Oehlke: Yes that is correct. So you are giving them a snapshot of your insurance coverage at that time.

Senator Laffen: So up to now, does the insurance company notify the certificate holder if I make a change?

Senator Oehlke: No not if all there is a certificate holder unless they asked to be added as an additional insured on your policy with privileges of notification for any changes on your policy. If the insurance company agreed to that they would provide that information to them.

Continued with explanations of how the contract works.

Evan Mandigo, State Executive for the North Dakota Association of Independent Insurance Agents: Testimony Attached #2.

Senator Laffen: I have been asked to provide this certificate of insurance by my clients, mostly state and every insurance agent has used this form.

Evan: Didn't feel they were using the present form.

Senator Laffen: Commented that he felt the form was the same.

Evan: Commented that they always are having new addition dates. Continues to comment on how it is now.

Senator Laffen: What are we doing with this bill?

Evan: Clarifying that those who want to have their own version of a certificate can't use it unless it is approved by the Commissioner's office.

Larry Maslowski, Senior Analyst and Director, Consumer Protection Property and Casualty Division, North Dakota Department of Insurance: Testimony Attached # 3

Chairman Senator Klein: Made clear that they had worked with the agents association as they drafted the proposed bill.

Larry: They are putting into code the best practices. Continued with questions asked.

Tim Hermanson, Manager Insurance of Dickenson: Stated that the deals with the certificate requests daily. They get fifty to sixty certificates going out of their office. The purpose of the bill is to require insurance producers to complete and sign only the certificates of insurance approved by the North Dakota Insurance Department. He feels the proposed bill would remove the situation of completing forms that require answers to ambiguous questions. He continued with talking about problems that have occurred.

Chairman Senator Klein: Asked they were all creating problems or just a handful.

Tim: They are not but if they do not have their own form created they probably won't get the job.

Senator Nodland: These are local contractors that are being demanded this by the oil company?

Tim: Yes they could be from a one man shop to a twenty man business. They are North Dakota people.

Senator Andrist: Made a comment that he felt it would not impede contracting because there is a shortage of people to provide services.

Tim: Where it will become detrimental is if there is not a standard form approved by the insurance department that is used, agents and clients are forced to be put into position of completing their own forms, there will be some real liability out there. Mainly because the policy may not provide the coverage indicated in their own form and if a loss occurs, does that client have coverage, probably not. Who gets sued is not the oil company.

Patrick Ward, Attorney for the Property and Casualty Insurance Association of America: Testimony Attached #4.

Chairman Senator Klein: Anyone in Opposition?

Curtis Jabs, Basin Electric Power Cooperative: Testimony Attached #5.

Chairman Senator Klein: Stated that the bill was going to be held over and was hoping that the insurance department, Curtis Jabs, Patrick Ward and Evan could get together and figure out additional language. If thirty other states have a written form that we could also.

Al Christianson, Great River Energy: Stated that they agree with what Curtis Jabs has stated on behalf of Basin Electric Cooperative.

Joel Gilbertson, American Council of Life Insured: it is a national organization of over three hundred life insurance and benefit companies that provide life insurance and disability insurance. He was here because the life insurance industry is involved in commercial lending. They believe this bill as written lessens there security and gives more risks to their loans. They drafted an amendment, attachment #6, would like the bill pass as amended to exclude commercial mortgages from the bill.

Chairman Senator Klein: Closed the meeting.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2062
February 1, 2011
Job Number 13796

☐ Conference Committee

Committee Clerk Signature Eva Liebelt

Explanation or reason for introduction of bill/resolution:

Relating to property and casualty certificates of insurance

Minutes: Testimony Attached

Chairman Klein: Reconvened the meeting on Senate Bill 2062.

Senator Oehlke: Introduced the bill. He said that the industry and bankers are trying to figure out an amendment. He said he feels the lenders should be looking at a binder and not a certificate of insurance. He explains that a certificate of insurance is just a snap shot and not a guarantee of what is on the policy.

Chairman Klein: Said that they had some people who could not be here last time, so they are listening to it again.

Steve Becker, Executive Director of the Insurance Agents of North Dakota: Handed out amendments and he goes over the amendments.

Chairman Klein: What you're saying is the Insurance Commissioner has a uniform statement.

Steve: Said that forms have to be filed and approved and a certificate of insurance needs to be filed and approved with the insurance department. So if a third party comes back and says give me an opinion letter that is not filed and approved with the insurance department. He also said they don't care if you call it an opinion letter, if you are looking for a statement of coverage; it is a certificate of insurance that needs to be filed and approved with the state. He continues going over the amendments.

Senator Nodland: Asked if this was an area where they're having a problem.

Steve: One of the major problems is, third parties that are coming in and asking to put on the certificate that this guarantees all of these things that the certificate is not meant to guarantee. The policy must be indorsed with that specific request. That is where the majority of the problem is. Continues with amendments and handed out copies of actual certificate forms, copy of bulletin sent from the Insurance Commissioner's office.

Senator Larsen: Asked what he said this was for.

Steve: It makes clear that insurance certificates must be filed and approved.

Wes Bissett, Independent Insurance Agents and Brokers of America: He said that this bill will remedy a lot of the problems for the insurance agents. He explains what the Certificate of Insurances is and what a binder and policy is. Entities are in position to request one of two forms of documents, underlying policy which is the binder or the certificate, which is a snap shot of the policy. He continues explaining how they both work and what they can do. He feels this proposal will accommodate many of the concerns. The goal is to limit the use of the certificates to their intended purpose and to prevent their misuse.

Dale Niezwaag, Basin Electric Power Company: Stated they were in support of the bill.

Chairman Klein: Called for any opposition to the bill.

Marilyn Foss, General Counsel of the ND Bankers Association: Testimony Attached. In opposition to the bill.

Questions asked Marilyn about her opposition. She feels it is unfair to the lender if the insurance company has inaccuracies on the certificate of insurance and is not held responsible. She continued talking about the problems she has with the bill.

Greg Tschider, Mid America Credit Unions and Credit Union Association of the Dakotas':
In opposition to the bill. He talked about the Supreme Court decision. He also stated that he is worried about the consumer. He said that when you receive a certificate of insurance you expect it to be binding. If the insurance industry wants to say they mean nothing, then why do they use them? He continues to go over his grievance with the bill.

Senator Andrist: Asked why they just don't ask to see the policy.

Greg: Stated that the policy takes time and people don't want to have to wait for it.

Questions asked Greg about the bill and his opposition to it and what they could do on the amendments.

Bruce Ferguson, American Council of Life Insurers: Talked about it being a significant issue to them. He is here as a lender because life insurance companies are a major source of commercial mortgage lending. The only point he would make is the change that would occur on the top of page two that would limit the evidentiary status of the form to informational purpose only. The amendment that was suggested is a step in the right direction. He stated that he is confident they can reach the right balance that protects the interest of the lender, the borrower and the insurance agent and insurance company that is issuing the property casualty policy.

Chairman Klein: Asked Bruce to continue to work with the other people there to get something they could or could not accept.

Jack McDonald, Independent Community Banks of North Dakota: They generally support the position of the other lenders have indicated. They feel they can reach some kind of a settlement. The one issue that hasn't been mentioned is the timing of everything. The concern and importance of this is timing is when the loan and the mortgages and those things want to be given out. People want their loans and they want them right now and if we can't rely on the certificates, if we have to wait for days until you get the binder and insurance policy that is where the crunch comes in.

Dana Bohn, North Dakota Farm Credit Council: They also share the concerns of the lenders but they also sell insurance. As it is mentioned there sometimes can be a conflict within. So they would like to take a look at all the proposed amendments.

Chairman Klein: Asked Wes to come back up for a question. The question asked was if they were taking all the rights that they have now and throwing all the pressure away to make sure they make a good certificate.

Wes: A certificate by itself never ever, ever, ever conveys rights by itself. Any rights that you have as a recipient of a certificate provided by the policy, in the case of the lenders they are covered by the Mortgage E Claus that says you get thirty days notice if the policy is canceled, ten days for purpose of non-payment. Any rights you have come from the policy and not from the certificate of insurance. You can always get a document or a binder is always available and there is not a situation where you can't get one or the other.

Senator Schneider: Are you looking for immunity in cases where there is false material statement in a certificate of insurance?

Wes: No.

Chairman Klein: Closed the hearing.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2062
February 8, 2011
Job Number 14204

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to property and casualty certificates of insurance.

Minutes: No Testimony Attached

The Senate Industry, Business and Finance Committee held discussion on SB 2062.

Senator Klein opens discussion and talks of "carryover from time" before and people from Washington, the bankers seemed to have some issues and the credit unions were condescending. They also came to agreement. Mr. Clayburgh is not here but I believe he may have an issue with the financial institution tax. He gave me the "thumbs up" this morning.

Steve Becker, Executive Director of Professional Insurance Agents of ND. The ND Bankers, Credit Union and community bankers met last Friday and did go through the amendments, that we had proposed, at the last hearing. They agreed that we could go forward and wanted to add a couple of different things. The only thing that they changed was on Page 1, Line 23, they wanted to add "including forms promulgated and filed by the National Insurance Advisory Association". The other addition in last section, we talked about a "certificate holder" and part way through that section, it says "a person". We changed it so it says, "certificate holder" so it is consistent. The amendments are what we submitted last time, with a couple of word changes, the bankers wanted.

Senator Nodland asks, "I want to commend you and the bankers, that you got together and worked this out".

Steve Becker states it solved some education issues that we didn't realize that we had.

Larry Maslowski, Head of Property and Casualty Division for the ND Insurance Department, introduces himself.

Senator Klein states that the language says, "May promulgate those forms", you agree with that?"

Larry Maslowski states, "Yes we are. It is our understanding that there was no change, in the fact that the insurance commissioner still has the approval of authority over forms that

are submitted by the insurance industry. We want that to be consistent and wanted to be sure that was the case".

Senator Nodland states that he moves that we adopt amendment 11.0046.01000 called a "negotiated amendment".

It is **seconded by Senator Andrist** on the "negotiated amendments".

It is **passed by the committee 7-0-0.**

Senator Nodland moves that we DO **PASS the SB 2062** as amended.

Senator Schneider seconds the motion.

It is passed by committee 7-0-0.

Carried by Senator Nodland.

11.0046.01001
Title.

Prepared by the Legislative Council staff for
Senator Klein
February 7, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2062

Page 1, line 11, replace "evidence" with "a statement"

Page 1, line 23, after the underscored period insert "The commissioner may designate as meeting the requirements of this section and not requiring further approval a standard certificate of insurance form, which may include a form promulgated and filed by a national insurance advisory organization, such as the association for cooperative research and development, the American association of insurance services, and the insurance services office."

Page 2, remove lines 1 through 5

Page 2, line 12, after the underscored period insert "A certificate of insurance may not contain a reference to a construction contract, service contract, or insurance requirement for the purpose of amending coverage afforded by the policy to which the certificate makes reference."

Page 2, remove lines 13 through 17

Page 2, line 19, replace "A" with "The only circumstance under which a"

Page 2, line 19, after "to" insert "the legal right to"

Page 2, line 20, replace "and to" with "or"

Page 2, line 20, after "insurance" insert "is"

Page 2, line 20, remove "is named"

Page 2, remove line 21

Page 2, line 22, replace "requires notice to be provided" with "has such notice rights under the terms of the policy or under any endorsement to the policy"

Page 2, line 22, after the second "notice" insert ", including the required timing of the notice,"

Renumber accordingly

Date: 2-8-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2062

Senate Industry, Business and Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 11.0046.01001

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment (negotiated)

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Nodland Seconded By Senator Andrist

Senators	Yes	No	Senators	Yes	No
Chairman Jerry Klein	✓		Senator Mac Schneider	✓	
VC George L. Nodland	✓		Senator Philip Murphy	✓	
Senator John Andrist	✓				
Senator Lonnie J. Laffen	✓				
Senator Oley Larsen	✓				

Total (Yes) 7 No 0

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Date: 2-8-11
Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2062

Senate Industry, Business and Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 11.0046.01001

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Nodland Seconded By Senator Schneider

Senators	Yes	No	Senators	Yes	No
Chairman Jerry Klein	✓		Senator Mac Schneider	✓	
VC George L. Nodland	✓		Senator Philip Murphy	✓	
Senator John Andrist	✓				
Senator Lonnie J. Laffen	✓				
Senator Oley Larsen	✓				

Total (Yes) 7 No 0

Absent

Floor Assignment Senator Nodland

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2062: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2062 was placed on the Sixth order on the calendar.

Page 1, line 11, replace "evidence" with "a statement"

Page 1, line 23, after the underscored period insert "The commissioner may designate as meeting the requirements of this section and not requiring further approval a standard certificate of insurance form, which may include a form promulgated and filed by a national insurance advisory organization, such as the association for cooperative research and development, the American association of insurance services, and the insurance services office."

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Page 2, line 22, after the second "notice" insert ", including the required timing of the notice,"

Renumber accordingly

2011 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2062

2011 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee
Peace Garden Room, State Capitol

SB 2062
March 2, 2011
14835

☐ Conference Committee

Committee Clerk Signature Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Relating to property and casualty certificates of insurance.

Minutes:

Chairman Keiser: Opens the hearing on SB 2062.

Steve Becher~Executive Director of the Professional Insurance Agents of North Dakota: (See attached testimony 1). (Mike turned on at 7 minutes, was reading his testimony.)

Representative Ruby: Did the certificates have to be approved by the commissioner before this?

Steve Becher: Yes, certificates of insurance had to be filed and approved in the past. We had those who tried to get around that filed and approval process. It was not being filed and approved like it should have been.

Representative Ruby: How can they request it to be worded in a different way in what the policy states, is that the issue?

Steve Becher: The issue is that they cannot change that policy through the wording through that certificate. If they want a different coverage or something different, they need to get that through an endorsement, to the policy, through the insurance company. They just can't say I want it written on certificate.

Vice Chairman Kasper: If I own a trailer park and says to tenants, you have insurance on trailer but I also want you to name me on that policy for liability protection, does this have anything with this circumstance.

Steve Becher: A certificate of insurance, if the policy was endorsed to add that trailer park owner as the additional insured, the certificate of insurance could indicate that, yes, they are an additional insured. The certificate itself would not change the policy. They would have to go to their insurance carrier, gets an endorsement listing that trailer park owner as the additional insured on the policy, then the policy would endorse that situation.

Vice Chairman Kasper: If the insurance company, owner of the trailer and the landowner agrees, this isn't going to be a problem to get it?

Steve Becher: Yes, there is a box where you can check, "additional insured".

Chairman Keiser: By getting the endorsement, the insurance company can properly underwrite the risk and bill accordingly, whereas before using this approach, it is conceivable that they could ask for some coverage that may not be underwritten?

Steve Becher: Correct.

Chairman Keiser: Would it be binding if it's not in the policy today and just on a certificate?

Steve Becher: Absolutely.

Chairman Keiser: So this is a protection for agents?

Steve Becher: It's a protection for agents and also a clarification for both sides.

Chairman Keiser: We are adding in the bill, many definitions, are they in code? Are they different that the definitions that we have in code?

Steve Becher: Some of them were not in code and we sat down with Larry Maslowski and Melissa from the insurance department and want through what they exactly wanted in the bill. They researched and have the same wording. Something that came up on the other side, there is no penalty phase for the agents.

Chairman Keiser: Further questions. Anyone else here to testify in support of SB 2062?

Larry Maslowski~Senior Analyst and Director, Consumer Protection Property and Casualty Division, North Dakota Insurance Department: (See attached testimony 2).

Representative M Nelson: How are the certificates used in health insurance lines?

Larry Maslowski: With group policies, you have a master policy in place with an entity and the members get a certificate that shows the various coverage's under the heath. That has not been the problem or issue. Most of the property and casualty certificate of insurance are coming from the agents on behalf of companies. It became a problem in that property/casualty industry.

Representative M Nelson: How do consumers know it's being used different?

Larry Maslowski: I don't know how to answer that question.

Representative M Nelson: You talked about people wanting certificate of insurance to prove that certain liabilities were covered, since certificate is just a courtesy thing and has no legal standing, how does it prove anything?

Larry Maslowski: It's a snapshot at that point in time. It's a verification.

Representative Ruby: Has your office received complaints where an agent wasn't willing to alter some of the language because it didn't reflect the policy but then they went across the street to someone who would make that change?

Larry Maslowski: Yes, we have had conversations, more so with the agent that they are going to. It's from the other agents that I hear this is happening.

Chairman Keiser: One page one and going on to page two, prior approval... goes on to say, why do we need that language. If it's approved and we want to use someone else's standards form?

Larry Maslowski: This is a slight tweak in our regulatory process.

Chairman Keiser: It's a disillusion of prior approval, really.

Larry Maslowski: For those particular documents, yes. At this point we are not overly concerned about it because we would have approved the initial document.

Chairman Keiser: Further questions? Anyone else here to testify in SB 2062?

Evan Mandigo~State Executive for the North Dakota Association of Independent Insurance Agents: (See attached testimony 3).

Chairman Keiser: Further questions? Anyone else here to testify in support, in opposition, in neutral on SB 2062?

Greg Tschnider~Mid America Credit Union Association: We don't oppose the legislation as it's been changed, however we want to be sure that this does not change the status quo as far as legality of certificates of insurance. The financial institutions where they are going to finance, they want some proof that it's insured. That's the purpose of certificate of insurance. There has been a court case that certificate of insurance is binding contracts on the insured, so we can continue to rely on that. I wanted to make sure that the status quo is maintained.

Chairman Keiser: Why would you think with the prior approval, it wouldn't be maintained?

Greg Tschnider: Someone went to the Supreme Court on that very issue. Someone was alleging that it was only informational. When they throw the word informational it's one thing and contractual is another, if it's informational it makes me nervous. Financial and consumers rely on these certificates because that they have something, either they do or they don't. We want to make sure that when we receive that certificate of insurance from an agent, that it does in fact, bind the insure.

Representative Ruby: How can you guarantee yourself that? If somebody gets insurance and you get the certificate and then they cancel it. In that time frame, before you receive a

notice of cancelation, how can that be binding on the insurance company when it's been canceled.

Greg Tschnider: It my understanding that when you check the box that a notice has to go out to the financial institution and to the consumer, there is a certain period of time in which you have the opportunity to get other insurance. I don't think the law is such that the day it's sent out it's terminated. There is a notice period, but I don't know what that is.

Representative Frantsvog: Mr Mandigo testimony, he gives us a copy of a certificate of insurance, on the top it talks about certificate being a matter of information only, are you implying that it goes beyond what this disclaimer basically says?

Greg Tschnider: The Supreme Court has said that even though it says this is only informational and is not binding, the Supreme Court has said that it's binding and we want to maintain that. We don't want to give that right up. When they call it a certificate, what does that mean? If you have a certificate of insurance, that should mean you have some insurance. I don't like the game of "this is information and it's not binding". If it's not, what the purpose of the writing, why do we have the document. Let's call it "gee whiz maybe you have insurance certificate". I don't think that's the intent. I think the intent is to tell the holder, consumer and the secured party, that we do have insurance and that it is binding. If there is a lose, wouldn't it be sad, if somebody didn't have insurance when they thought they had it.

Representative Ruby: If it's contractual document and the intent of this bill is to make sure that it can't be altered by a slight language change, does it make a bill like this more important?

Greg Tschnider: I think that it's important that the agents be responsible for what they do and should follow the form. Forms are wonderful because we all become use to these and we can analyze them so that they are accurate and binding.

Vice Chairman Kasper: On the last page under the notice requirements, wouldn't it be on the certificate holder to require in all cases that the notice of the right of cancelation is on your form you receive so that you're are protected?

Greg Tschnider: I think that would be a wonderful idea and I would hope that the insurance commissioner would require that on the forms that are to be approved.

Vice Chairman Kasper: If you want protection under the certificate, why don't you required it before you allow that insured to have the loan they are getting from your entity?

Greg Tschnider: It's my understanding that when the consumer purchases the policy, there is a specific box that you check for the secured party. When the credit union receives this, they know they are protected and that if in fact this policy is terminated or canceled, they will receive notice. When you receive the form, the certificate of insurance itself, it will indicate that yes, your name is on it and therefore the law requires that you be notified, so we would be comfortable with that.

Vice Chairman Kasper: Isn't that what this bill says? Aren't you double speaking because you have that right here in statue?

Greg Tschnider: The problem is this, they don't get the policies out right away, it takes days or weeks before the policy itself is actually issued. The ideal thing would be we don't use certificate of insurance at all, that we in fact rely entirely on a binder or the policy itself. The problem with that is the people don't want wait for insurance companies to prepare the policy. It would be wonderful if the policy was issued right then when you walk into the agent's office. Generally, that's not the way the world works and so you have this window between the time that the certificate of insurance is issued and when the policy is issued. If people are willing to wait for their loans, great, but unfortunately, when they buy cars now, they don't want to wait.

Vice Chairman Kasper: There are two impatient parties here, the guy who want to drive off with the car and the institution that wants to make the loan. Why don't you and your companies then, follow up on the certificate of insurance?

Greg Tschnider: We get the certificate of insurance when the loan is granted and the money is transferred.

Vice Chairman Kasper: Where's the problem?

Greg Tschnider: The problem is that we don't want a loss and have the insurance company saying this wasn't a binding contract and there wasn't any insurance because it's for informational purposes and it isn't a contract.

Vice Chairman Kasper: What should this bill say to make your heart beat fine?

Greg Tschnider: At this point, I don't have specific language and I don't make friends in the Senate committee. All I'm asking is the same train of thought.

Representative Frantsvog: If I were the purchaser of the car and I went to may insurance agent to get coverage for it, would I get a certificate of insurance before there was any transfer of monies. Would I get the certificate even though I hadn't paid for the policy?

Greg Tschnider: The financial institutions will not give the money unless they have the proof that there some insurance to cover the loss on that vehicle.

Representative Frantsvog: The transfer of money is between the purchaser of the vehicle and insurance company. Wouldn't I have to pay for my premium for coverage before I get the certificate of insurance that I would take to you?

Greg Tschnider: Every insurance agent handles it differently.

Chairman Keiser: Further questions?

Vice Chairman Kasper: My wife bought her last car, we called our insurance company, we bought a new car and we are driving it out of the lot. No problem, your covered, that was it and I didn't send a check at that moment, he said I'm covered.

Greg Tschnider: That a wonderful way to do it. My question to you if I was representing you, how do you know in fact that he remembered? It's your word against somebody elses.

Chairman Keiser: Anyone else here to testify in the neutral position on SB 2062?

Marilyn Foss~North Dakota Banker Associations: We engaged in vigorous discussions about amendments to make this bill acceptable to NDBA. We did achieve amendments toward that end and we think that with the changes made in the Senate, that this bill allows a person who has reasonable relied on the accuracy of the certificate of insurance to pursue remedies that if the certificate of insurance was not accurate. We are also considering what the North Dakota Supreme Court said about situations where agents of insurance companies, with the insurance company being the principle. The long-standing law on what is required of a principle when an agent mis-states the case that this bill still leaves the argument to be made, when it turns out that a certificate of insurance that has been issued to an institution or consumer turns out to be inaccurate. Accurate certificates of insurance don't give rise to problems to anybody. We think that the bill leaves that open and we are neutral with the respect to assuming that it's unchanged by the house.

Chairman Keiser: If there are two possibilities, if an agent gives information that is incorrect, it's either fraudulent information or it's simply a mistake. In all of the business, we make a honest mistake, we usually have insurance to cover it, so what is the problem for the agents? It's either fraud and we should hang them or it's an honest mistake and they should have insurance to cover that.

Marilyn Foss: I wouldn't disagree with that but if I'm the person who purchased the insurance from an insurance company, my position is that the insurance company should be standing behind what the agent has said because that's what principle and agency is about. It may well be that the agent has errors and omission coverage, which would cover this situation.

Chairman Keiser: Closes the hearing on SB 2062.

2011 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee
Peace Garden Room, State Capitol

SB 2062
March 9, 2011
15201

☐ Conference Committee

Committee Clerk Signature Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Property and casualty certificates of insurance

Work Committee Minutes:

Chairman Keiser: Opens the work committee session on SB 2062. What are the wishes of the committee?

Vice Chairman Kasper: I asked Steve Becker to send information and he emailed that to us. It's clear that the binder sets the guarantee for the lender and the property of the insured.

Vice Chairman Kasper: Moves a Do Pass.

Representative Ruby: Second.

Chairman Keiser: Further discussion?

Roll call was taken for a Do Pass on SB 2062 with 13 yeas, 0 nays, 1 absent and Representative Amerman is the carrier.

Date: March 9, 2011

Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2062

House **House Industry, Business and Labor** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

Motion Made By Rep Kasper Seconded By Rep Ruby

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Representative Amerman	✓	
Vice Chairman Kasper	✓		Representative Boe	✓	
Representative Clark	✓		Representative Gruchalla	✓	
Representative Frantsvog	✓		Representative M Nelson	✓	
Representative N Johnson	✓				
Representative Kreun	✓				
Representative Nathe	✓				
Representative Ruby	✓				
Representative Sukut	✓				
Representative Vigesaa	Ab				

Total Yes 13 No 0

Absent 1

Floor Assignment Rep Amerman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2062, as engrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2062 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

SB 2062

SB 2062
#1 Attachment

8111 East 32nd Street North
Wichita, KS 67226-2614
316-636-5055 ext. 7032

Fax

To: Parvin Patel (28082)	**From:** Kelsey Warriner – Rapid Response Manager
Company: Super 8	**Direct Phone:** 316-219-8169
Fax: 701-1662-8056	**Direct Fax:** 316-771-7832
Date: 3-24-09	**Email:** kwarriner@corplodging.com
Number of Pages: 2	**Web Address:** www.corplodging.com

X **Urgent** ☐ **For Review** ☐ **Please Reply** ☐ **Please Sign and Return**

• **Comments:**

Deficiencies have been found with your certificate of liability insurance. CLC is unable to place BNSF Railway employees at your property without proper insurance coverage and a copy of your certificate on file. Please review the key points and discuss with your insurance broker. A sample copy has been attached for review. Please fax the corrected certificate to 951-766-2299 or email to bnsf@ebix.com. If you or your insurance broker has questions about BNSF Railway insurance requirements please contact Vicki Barnett with BNSF, 817-352-2414.

Hotel name and physical address must be listed as named insured on the certificate.

CLC and BNSF Railway must be listed as additional insured and as certificate holders.

If the general liability, auto liability, and workers comp are with different providers all certificates must be supplied to Ebix.

If auto liability and general policy numbers are the same on the certificate hired/non-owned must be indicated. If no auto coverage is indicated on the certificate and you do not own or operate any vehicles, hotel must provide on hotel letterhead stating they do not own/operate autos.

If you don't have a workers comp policy, please submit a letter stating you have no employees and you are a sole proprietor or partnership.

The issue date of the certificate must be today's date or revision stamped on the certificate.

NOTE: This information is proprietary, confidential and the property of Corporate Lodging Consultants, Inc. (CLC) and/or Crew Transport Services, Inc. (CTS). Information provided may not be released to any third party without written consent from CLC/CTS.

CERTIFICATE OF INSURANCE

PRODUCER

"SAMPLE" CERTIFICATE OF INSURANCE

THIS CERTIFICATE 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 POLICIES BELOW.

INSURED

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A — Company Must Have At Least A-/Class VII

COMPANY LETTER B — Company Must Have At Least A-/Class VII

COMPANY LETTER C — Company Must Have At Least A-/Class VII

COMPANY LETTER D

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. (MM/DD/YY)	POLICY EXP. (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY				GENERAL AGGREGATE	$2,000,000.00
	X COMM. GENERAL LIABILITY				PROD—COMP/OP AGG.	
	CLAIMS MADE X OCC				PERS. & ADV. INJURY	
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE	$1,000,000.00
					FIRE DAMAGE (ANY ONE FIRE)	
					MED. EXP. (ANY ONE)	
	AUTO LIABILITY				COMBINED SINGLE LIMIT	$1,000,000.00
	X ANY AUTO				BODILY INJURY (PER PERSON)	
	ALL OWNED AUTOS				BODILY INJURY (PER ACCIDENT)	
	SCHEDULED AUTOS				PROPERTY DAMAGE	
	HIRED AUTOS					
	NON-OWNED AUTOS					
	GARAGE LIABILITY					
	EXCESS LIABILITY				EACH OCCURRENCE	
	UMBRELLA FORM				AGGREGATE	
	OTHER THAN UMBRELLA FORM					
	WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY	Provide coverage for the specific location of the facility			X STATUTORY LIMITS	
					EACH ACCIDENT	
					DISEASE-POLICY LIMIT	
					DISEASE-EACH EMP	
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS. BNSF Railway Company and/or its affiliates is an Additional Insured for Auto and General Liability. Any coverage afforded Railroad, the Certificate Holder, as an Additional Insured shall apply as primary and not excess to any insurance issued in the name of Railroad. A waiver of subrogation is afforded to the certificate holder for all coverages listed above. Named Insured: Hotel Name, Address, City, State, Zip

CERTIFICATE HOLDER

CORPORATE LODGING CONSULTANTS AND THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY
P.O. BOX 2010 - BN
HEMET, CA 92546-8010
Email: bnsf@ebix.com
Fax Number: 951-766-2299

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~

AUTHORIZED REPRESENTATIVE

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID KL BURNO-1

DATE (MM/DD/YYYY) 05/12/08

PRODUCER

CountryInsure USA
Po Box 800
Devils Lake ND 58301
Phone: 701-662-4051 Fax: 701-665-5007

THIS CERTIFICATE 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 POLICIES BELOW.

INSURED

Burlington Northern and Santa
C/O Pumps Plus, Inc
PO Box 725
Devils Lake ND 58301-0725

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: United Fire & Casualty Co.	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PROJECT [ ] LOC	20208282	04/17/08	04/17/09	EACH OCCURRENCE	$ 1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ NONE
						MED EXP (Any one person)	$ NONE
						PERSONAL & ADV INJURY	$ NONE
						GENERAL AGGREGATE	$ 2,000,000
						PRODUCTS - COMP/OP AGG	$ NONE
		AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	$
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY [ ] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $				EACH OCCURRENCE	$
						AGGREGATE	$
							$
							$
							$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS [ ] OTHER	
						E.L. EACH ACCIDENT	$
						E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Insurance covers incidents that occur within 50 feet of railroad tracks; the railroad exclusion has been deleted. The Burlington Northern & Santa Fe Railway Company are additional insured with respect to liability arising out of operations performed by or on behalf of the named insured, general liability. Any coverage afforded railroad, the certificate holder, as additional insured shall apply as primary and not excess to any insurance issued in the name of railroad.

CERTIFICATE HOLDER

BURLSA1

Burlington Northern & Santa Fe
Railway Company
PO Box 12010
Hemet CA 92546-8010

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Dave Denike

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EXHIBIT C

KNIFE RIVER
RESOURCES COMPANY

[illegible] Wood Dr. NE
[illegible] ND 58379
[illegible] 3472
[illegible] FAX

Insurance Requirements for Subcontractors & Vendors

Subcontractor / vendor shall provide and maintain insurance and Subcontractors shall require all lower tier subcontractors to provide and maintain insurance of the type and limits as set forth below:

Type of Coverage	Minimum Limit
1. General Liability – Occurrence	$1,000,000.00
a. General Aggregate	$2,000,000.00
b. Products/Completes Operations Aggregate	$2,000,000.00
c. Personal Injury	XXXXXXXX
2. Auto Liability (owned/hired/non-owned)	$1,000,000.00
3. Umbrella Liability – Occurrence / Over all policies	$3,000,000.00
4. Worker's Compensation	Statutory
5. Employer's Liability	$1,000,000.00

The certificate must also address the following:

a. Knife River Corporation – North Central, MDU Resources Group, Inc. and/or subsidiary, affiliated and associated companies including any employee, officer or director as their respective interest may appear" must be listed as an Additional Insured (Endorsement shall attach to coverage 1 and 2).

b. Waiver of Subrogation in favor of "Knife River Corporation – North Central, MDU Resources, Inc. and/or subsidiary, affiliated and associated companies including any employee, officer or director as their respective interest may appear " (Endorsement shall attach to all coverage).

c. Primary Insurance Endorsement: The coverage provided by the policies to which this endorsement is attached shall be primary coverage and any other insurance carried by Knife River Corporation – North Central shall be considered excess coverage (Endorsement shall attach to coverage 1 and 2).

d. Reference to the project name of "All operations performed for Knife River Corporation – North Central" must appear in the description.

e. Current A.M. Best's Rating for each insurance company listed, must be shown.

f. ***Thirty (30) day minimum prior written notice of cancellation.*** *The cancellation provision must provide for 30 days written notice to the certificate holder prior to cancellation. (If an ACORD form is used, the words "endeavor to" and "failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representative" shall be deleted.)*

Should you have any questions regarding the requirements above please call Julie Hennessey at (320) 529-2763.

An Equal Opportunity Employer

SB 2026
#2 Attachment

TESTIMONY
Senate Bill 2062
Senate Industry Business & Labor
Senator Klein, Chairman
January 12, 2011

Chairman Klein, members of the Senate Industry Business & Labor Committee, I am Evan Mandigo, State Executive for the ND Association of Independent Insurance Agents. I am here this morning to speak in favor of Senate Bill 2062 which relates to property and casualty insurance certificates of insurance. It will be a new chapter of Title 26.1 of the North Dakota Century Code.

The bill before you is the product of nearly a year's worth of drafting effort by a coalition of independent insurance agent groups and a major regional carrier headquartered in Bismarck. Electrons have vanished and trees have died. We also enlisted the assistance of Commissioner Hamm's staff to include their input from a regulatory perspective. They were most helpful and offered insights that would never have occurred to us.

This is really a simple bill, but the issues are not so simple. Here is a certificate of insurance- a one page document which I have attached to my testimony. It is no more or no less than a snapshot of an underlying insurance policy and that caveat has been prominently displayed on every edition I have ever seen. It is a convenience for those who ask for or who have established a need for one. Properly utilized, it is a key part of countless business transactions entered into every day. Unfortunately it has been misused, abused, and utilized for purposes far beyond its legal scope. That is why we are here today, to offer a remedy which is to create

a new chapter of Title 26.1 which clearly establishes what a property and casualty certificate is and what it can and cannot do.

Despite insurance agents and companies' diligent efforts to educate requestors on what a certificate can and can't do, the message often falls on deaf ears. It put us and our clients in difficult if not impossible situations. We cannot respond to requests that are often illegal or impossible, yet our clients face pressure to produce it to get paid or get work.

Here's what the bill does:

- A certificate is a form filed and approved by the insurance department. Unless it is approved by the Department, it is illegal to use in North Dakota. That includes any addendum, interpretation, or checklist. If it is not filed and approved, it can't be used.

- Makes it illegal to alter a certificate of insurance form once approved. Policy holders receive demands to place language in the remarks section which alter the approved form.

- It requires notification that a certificate is just for information purpose and creates no rights for the certificate holder.

- A certificate of insurance can't guarantee that the insurance policies referenced in the certificate comply with a contract. It is only a snapshot of existing coverage in force.

- Certificate holders are only entitled to whatever cancellation notice is contained in the policy. We often see demands by certificate users for at least 30 days notice of cancellation or in the case of one requestor also want 30 days notice of expiration even though that is a clearly stated in the certificate.

Our clients are the thousands of business owners and constituents in your communities. They look to us as their insurance experts to respond to the demands of requestors who often only want a piece of paper for their file without regard to whether such coverage is available, affordable, outdated, or in some cases down right impossible. One requestor continues to ask for evidence of coverage that has not existed in the form they require on the certificate for 25 years. Clients receive a multitude of not so subtle economic threats like:

- Failure to deliver will be considered a material breach of contract and would enable immediate termination of the agreement.
- Requestors will threaten to withhold contract payment unless the certificate is produced
- Lenders will threaten forced placement of property insurance unless they get an old out of date and un-approved form for their file
- Clients will be removed from an approved/qualified bidders list if they cannot produce the certificate.

- The latest response provided a sub-contractor in the eastern part of the state was "your agent is the only one in the state taking that position-you need to get a new agent". All the agent has done was point out the certificate form demanded was not filed with the Department and she could not issue it.

Often the response we hear is delivered by a staff member who has little knowledge of nor concern about the subject and only wants an item checked off their to do list. Independent agents are placed squarely in the middle of this mess. The business owner expects us to respond to the demands so they can get paid and get work. Property owners expect us to respond to lenders who ask for outdated and unapproved certificates of insurance. When we tell them it can't be done, for any number of the reasons above, they often don't understand.

All this bill does is clarify and manage the expectations of everyone involved in the production and use of certificates of insurance, including requestors, ND business owners, property owners, and issuers. The conditions of the bill are not onerous nor would ND be plowing any new ground. At least 30 other states have enacted similar legislation most recently Louisiana, I believe.

Thank you, Mr. Chairman and members of the committee. I will be happy to answer any questions you have. I urge your favorable consideration of a Do Pass recommendation for consideration by the full Senate.

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/4/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MANGER INSURANCE, INC. BOX 1386 WILLISTON ND 58802	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: 103760
INSURED *Tim	INSURER(S) AFFORDING COVERAGE / NAIC # INSURER A : INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	☐ CLAIMS-MADE ☐ OCCUR						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$
	☐ POLICY ☐ PRO-JECT ☐ LOC							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ ALL OWNED AUTOS						BODILY INJURY (Per accident)	$
	☐ SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	$
	☐ HIRED AUTOS							$
	☐ NON-OWNED AUTOS							$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DEDUCTIBLE							$
	☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						WC STATU-TORY LIMITS ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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SB2062
#3 Attachment

SENATE BILL NO. 2062

Presented by: **Larry Maslowski**
Senior Analyst and Director, Consumer Protection Property and Casualty Division
North Dakota Insurance Department

Before: **Senate Industry, Business and Labor Committee**
Senator Jerry Klein, Chairman

Date: **January 12, 2011**

TESTIMONY

Good morning, Chairman Klein and committee members. My name is Larry Maslowski and I am the Senior Analyst and Director of the Consumer Protection Property and Casualty Division of the North Dakota Insurance Department. I appear before you in support of Senate Bill No. 2062.

The bill before you is directed at the use of certificates of insurance in the property and casualty insurance market. The proposed bill is not directed at the use of life and health certificates of insurance as life and health certificates are used differently and are not subject to the concerns found in the property and casualty insurance market.

N.D.C.C. § 26.1- 30-19 currently requires property and casualty insurance companies to file policies, certificates, applications, riders or endorsements for approval by the Insurance Commissioner. The statutes do not, however, provide any specific additional direction on how certificates of insurance may or may not be used. In property and liability insurance, a certificate of insurance is a document that is used to verify the existence and terms of insurance coverage. For example, it may list the effective date of a policy, the type of insurance coverage purchased, and the types and dollar amount of applicable liability coverage. A certificate of insurance is often demanded in situations where liability and large losses are a concern. For example, a company wishes to hire a driver from a temp agency. The company will most likely ask the

agency to show them a certificate of insurance that proves that certain liabilities will be covered by insurance in the event the driver causes problems, such as incurring liability while driving the company's vehicle. The general insurance industry business practices regarding the use of certificates of insurance in the property and casualty insurance market as understood and accepted by the North Dakota Insurance Department are as follows:

- The form is intended to serve only as an informational/summary document.

- The form is intended to be used to reflect only the coverage and terms found in the referenced policy.

- The form is not to be used to convey any rights to the certificate holder that do not exist in the policy or endorsements to the policy.

- The form is not to be used by insurance agents to modify or misrepresent the referenced policy.

Attached to this testimony is a copy of Bulletin 2010-1 issued by Commissioner Hamm on April 5, 2010, which reflects the understanding and position of the Department. It is the Department's understanding that the proposed bill seeks to codify the industry business practices in an effort to clarify the appropriate use of the form for both the certificate holder and the agent/company issuing the form. The bill makes clear that these certificates of insurance are to be issued as a matter of information only and are not to be used in an attempt to amend, extend, or alter the coverage afforded by the policy described in the certificate.

The Department has worked with the agent associations as they drafted the proposed bill and is comfortable that it reflects best practices for the industry and asks that you support passage of Senate Bill No. 2062.

North Dakota
Insurance Department
Adam W. Hamm, Commissioner

BULLETIN 2010-1

TO: All Property and Casualty Agents and Companies

FROM: Adam Hamm, Commissioner

DATE: April 5, 2010

SUBJECT: Certificates of Insurance

The Insurance Department has been made aware of situations in which agents are being asked to use forms (in particular certificates of insurance) which have not been filed with, and approved by, the Department.

N.D.C.C. §§ 26.1-30-19(4) and 26.1-30-20 require insurance companies to file on a prior approval basis the insurance policy, certificate, contract or agreement they plan to use. Once filed and approved, the insurance policy, certificate, contract, or agreement may not be altered without prior approval of the Department.

Certificates of insurance are by design a general summary of coverages contained within a given policy and are intended to document the existence of a policy and coverages to a party other than the insured, or both. Certificates of insurance are issued for informational purposes only and cannot be used to alter, amend, or extend coverages provided by the policy(ies).

Use of forms that are not filed and approved by the Department is prohibited. Agents or companies that use forms that are not filed by the company and approved by the Department are in violation of the statutory filing requirements and can be subject to administrative action.

If you have questions in regard to this bulletin, please contact Larry Maslowski at (701) 328-4976.

AH/njb

SB 2062
#4

TESTIMONY IN SUPPORT OF SB 2062 WITH SUGGESTED AMENDMENTS

Good Morning Chairman Klein and Members of the Senate IBL Committee:

My name is Patrick Ward. I am an attorney with the law firm of Zuger Kirmis & Smith in Bismarck. I represent the Property and Casualty Insurance Association of America. PCI is composed of more than 1000 member companies, representing the broadest cross section of insurers of any national trade association. PCI members write over $180 billion in annual premium, 37.4 percent of the nation's property and casualty insurance. Member companies write 44 percent of the U.S. automobile insurance market, 30.7 percent of the homeowners market, and 35.1 percent of the commercial property and liability market.

SB 2062 relates to certificates of insurance and when those property and casualty certificates of insurance may be issued. We support this legislation, however, we suggest a couple of amendments. The amendment we are suggesting on page 1, line 23 is to clarify that standard forms such as ACORD forms may be used. We suggest removing the language in the current draft of the bill regarding the certificate of insurance warranty prohibition and replacing it to minimize confusion and ambiguity.

Also, on page 2, we think it is better to not reference any contract other than the insurance policy within the certificate of insurance. Therefore, we suggest adding a sentence which states, "A certificate of insurance may not contain references to contracts other than the referenced contract of insurance,

including construction or service contracts." We support this bill with the suggested attached amendments.

Therefore, we ask the committee to adopt the suggested attached amendments and then give the bill a Do Pass recommendation. Thank you for your attention and I will try to answer any questions.

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PCI PROPOSED Amendments to SB 2062

Page 1, Line 23, After "commissioner.' Insert: "The commissioner may designate standard certificate of insurance forms promulgated by national organizations as meeting the requirements under this section and not requiring further approval."

Page 2, overstrike Lines 14 through 17 and replace with "A certificate of insurance may not contain references to contracts other than the referenced contract of insurance, including construction or service contracts."

SB 2062
#5 Attachment

North Dakota Senate Bill 2062
Curtis Jabs - Basin Electric Power Cooperative
Senate Industry, Business and Labor Committee
January 12, 2011

Mr. Chairman and members of the committee, my name is Curtis Jabs. I represent Basin Electric Power Cooperative and the Dakota Gasification Company and we are opposed to SB 2062 as currently drafted.

In many commercial transactions, parties will enter into a contract which requires one of the parties to have or obtain insurance with terms specified in the contract. To prove that the insurance has been obtained, a person or company will often provide a certificate of insurance rather than the actual insurance policy. A certificate of insurance is a document that provides evidence, or certification of the insurance coverage held by a party. It verifies the coverage in place at the time of issuance of the certificate. Certificates of insurance are crucial to transacting business and are used in a multitude of situations. When organizations accept a certificate of insurance they do so on the belief that the certificate is a direct and truthful representation of the coverage contained in the full insurance policy.

Businesses such as Basin Electric and the Dakota Gasification Company rely heavily on certificates of insurance as proof that company's we contract with have the appropriate and adequate insurance coverage needed. Basin Electric has on file 2,022 certificates of insurance from companies that we do business with and we have issued over 150 certificates of insurance to other companies that we have contracts with for services or for providing materials. We do not see a problem with the current certificate of insurance requirements as now required by law and frankly do not see a need for change.

Requiring that certificate forms be filed with the North Dakota Insurance Department and prohibiting agents from issuing certificates that contain inaccurate information is already covered in North Dakota Law. The area that we are specifically opposed to is on page 2 of the bill. Lines 13-17 state, "A certificate of insurance may not warrant that the policies referenced in the certificate of insurance comply with the insurance or indemnification requirements of a contract and the inclusion of a contract number or description within a certificate of insurance may not be interpreted as doing such."

In our opinion and interpretation, SB 2062 as written will eliminate the integrity of the certificate of insurance by placing in statute a warranty prohibition. As drafted and if it were to become law, the certificate could not be relied upon to represent the insurance coverage in place. Perhaps that is not the intent of the sponsors of the bill, but it is Basin Electric's interpretation that this would be the consequence.

If SB 2062 passes as written, companies like ours will be forced to have contract partners provide their full insurance policy and indicate in each policy where the appropriate and adequate insurance coverage is contained. This will lead to expensive and time consuming delays in conducting business. Delays and costs that the certificates of insurance were specifically developed to eliminate.

We do not believe that any legislation should be passed that provides a prohibition of any warranty for the issuers of inaccurate certificates of insurance and relieve them of their legal responsibility.

Mr. Chairman and members of the committee, based on these reasons we stand opposed and would urge a "do not pass" on SB 2062. This concludes my testimony and I will try to answer any questions from the committee.

SB 2062
#6 Attachment

PROPOSED AMENDMENTS TO SENATE BILL NO. 2062

Page 1, line 11, remove "evidence" and insert "a statement or summary"

Page 1, line 22, remove "the commissioner by or on behalf of the insurer and has been" and insert "and"

Page 1, after line 23, add a new section as follows:

"**Applicability.**

Nothing in this chapter shall apply or be construed to apply to evidence of insurance required by 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 as security for a loan."

Submitted by American Council of Life Insurers

SENATE BILL NO. 2062

Presented by: **Larry Maslowski**
Senior Analyst and Director, Consumer Protection Property and Casualty Division
North Dakota Insurance Department

Before: **Senate Industry, Business and Labor Committee**
Senator Jerry Klein, Chairman

Date: **January 12, 2011**

TESTIMONY

Good morning, Chairman Klein and committee members. My name is Larry Maslowski and I am the Senior Analyst and Director of the Consumer Protection Property and Casualty Division of the North Dakota Insurance Department. I appear before you in support of Senate Bill No. 2062.

The bill before you is directed at the use of certificates of insurance in the property and casualty insurance market. The proposed bill is not directed at the use of life and health certificates of insurance as life and health certificates are used differently and are not subject to the concerns found in the property and casualty insurance market.

N.D.C.C. § 26.1- 30-19 currently requires property and casualty insurance companies to file policies, certificates, applications, riders or endorsements for approval by the Insurance Commissioner. The statutes do not, however, provide any specific additional direction on how certificates of insurance may or may not be used. In property and liability insurance, a certificate of insurance is a document that is used to verify the existence and terms of insurance coverage. For example, it may list the effective date of a policy, the type of insurance coverage purchased, and the types and dollar amount of applicable liability coverage. A certificate of insurance is often demanded in situations where liability and large losses are a concern. For example, a company wishes to hire a driver from a temp agency. The company will most likely ask the

agency to show them a certificate of insurance that proves that certain liabilities will be covered by insurance in the event the driver causes problems, such as incurring liability while driving the company's vehicle. The general insurance industry business practices regarding the use of certificates of insurance in the property and casualty insurance market as understood and accepted by the North Dakota Insurance Department are as follows:

- The form is intended to serve only as an informational/summary document.

- The form is intended to be used to reflect only the coverage and terms found in the referenced policy.

- The form is not to be used to convey any rights to the certificate holder that do not exist in the policy or endorsements to the policy.

- The form is not to be used by insurance agents to modify or misrepresent the referenced policy.

Attached to this testimony is a copy of Bulletin 2010-1 issued by Commissioner Hamm on April 5, 2010, which reflects the understanding and position of the Department. It is the Department's understanding that the proposed bill seeks to codify the industry business practices in an effort to clarify the appropriate use of the form for both the certificate holder and the agent/company issuing the form. The bill makes clear that these certificates of insurance are to be issued as a matter of information only and are not to be used in an attempt to amend, extend, or alter the coverage afforded by the policy described in the certificate.

The Department has worked with the agent associations as they drafted the proposed bill and is comfortable that it reflects best practices for the industry and asks that you support passage of Senate Bill No. 2062.

North Dakota
Insurance Department
Adam W. Hamm, Commissioner

BULLETIN 2010-1

TO: All Property and Casualty Agents and Companies

FROM: Adam Hamm, Commissioner

DATE: April 5, 2010

SUBJECT: Certificates of Insurance

The Insurance Department has been made aware of situations in which agents are being asked to use forms (in particular certificates of insurance) which have not been filed with, and approved by, the Department.

N.D.C.C. §§ 26.1-30-19(4) and 26.1-30-20 require insurance companies to file on a prior approval basis the insurance policy, certificate, contract or agreement they plan to use. Once filed and approved, the insurance policy, certificate, contract, or agreement may not be altered without prior approval of the Department.

Certificates of insurance are by design a general summary of coverages contained within a given policy and are intended to document the existence of a policy and coverages to a party other than the insured, or both. Certificates of insurance are issued for informational purposes only and cannot be used to alter, amend, or extend coverages provided by the policy(ies).

Use of forms that are not filed and approved by the Department is prohibited. Agents or companies that use forms that are not filed by the company and approved by the Department are in violation of the statutory filing requirements and can be subject to administrative action.

If you have questions in regard to this bulletin, please contact Larry Maslowski at (701) 328-4976.

AH/njb

2/1/2011
(1)

Testimony for SB 2062 – ND Senate IBL Committee

Senator Klein and members of the North Dakota Senate Industry, Business, and Labor Committee my name is Steve Becher, Executive Director of the Professional Insurance Agents of North Dakota. I am providing testimony today and asking you for a Do Pass recommendation on Senate bill 2062.

Senate bill 2062 is a piece of legislation that addresses problems that arise for insureds and insurance agents due to property/casualty insurance certificates of insurance. Property/casualty certificates of insurance are documents issued by or on behalf on an insurance company for information purposes only to advise a third party of the existence and amount of insurance issued to the named insured. Certificates are simply snapshots of basic coverages and limits in force at the time that the certificate is issued and are not intended to modify coverage or change the terms of the insurance contract.

The main problem with certificates of insurance at this time is that certificate holders, the third parties that are asking for a certificate, are attempting to use the certificate as a legal document and in ways that the certificate was never meant to be used. For instance, certificate holders are requiring that a certificate has wording that makes the insured liable for "any and all liabilities" or similar wording. Certificate holders sometimes require that the agent guarantee that the policies listed on the certificate of insurance comply fully with the requirements in the contract between the insured and the certificate holder without any exclusions or exceptions. Many times, certificate holders ask the agent to sign an opinion letter or a form of the certificate holder's design that guarantee certain

coverages, which is impossible for the agent to do as insurance forms must be filed with and approved by the ND Insurance Department before an agent can sign them. In many cases, certificate holders are telling the insured that failure to get their specific wording used on a certificate, a guarantee signed by the agent, or their own non-filed form completed will result in the insured either not getting the contract or not being paid for work that they have already completed. This puts both the insured and agent in a tough situation as the insured needs the work and does not understand how a certificate of insurance is meant to be used so they just want the agent to "sign the form" so they can go to work. Refusal to comply with the demands of the certificate holder can and does result in lost work for the insured, lost income from jobs already completed, and loss of clients for the insurance agent when the insured moves to another agent that will just "sign the form".

Senate bill 2062 is designed to clarify what a certificate of insurance "is" for insureds and certificate holders as well as what a certificate of insurance "is not". First of all, the bill clarifies that a certificate of insurance (no matter how titled or designed) must be filed with and approved by the ND Insurance Department before it can be used. This is not a change from present law, but clarifies that you can't call a certificate something else such as opinion letter or evidence of coverage to get around the fact that it must be filed and approved. Secondly, the bill states that all certificate forms must contain a statement that acknowledges the fact that certificates are for informational purposes only and cannot be used to amend or alter the coverage afforded to the insured. If the certificate holder or insured wants the policy to be changed, it must be done through an endorsement by the insurance company and not by a certificate of insurance.

Thirdly, the bill makes it clear that no one (agent, insured, or certificate holder) may alter or modify a form that has been filed and approved by the ND Insurance Department to affirmatively or negatively change the coverage provided by the policies listed on the certificate. The agent may list the policies that the insured has, the limits on those policies, and other endorsements that are included but may not put wording on the form or delete wording from the form in an attempt to change policy terms. Next, the bill states that the certificate of insurance cannot be used to guarantee that the insured's policies comply with the contractual agreement made between the insured and the third party. Since a certificate of insurance is only a snapshot of coverage at the time that it is completed the agent cannot guarantee that limits or coverage may not change during the policy term through claims payment or a change requested by the insured. Also, in many cases the agent is not given a copy of the contract and has no idea if all requirements of the contract are being met. The only thing the agent can do is show what coverages that the insured has at the time that the certificate of insurance is completed. Lastly, the bill clarifies that certificate holders are only entitled to notice of cancellation or nonrenewal if the underlying policy or an endorsement to the policy requires such notice to be sent. Under policies today, no notice of cancellation is afforded to certificates holders unless an endorsement is added requiring the insurance company to provide notice. Certificate holders have tried to obtain notice by requiring that insurance agents include language on a certificate of insurance stating that they will be given 30, 45, or possibly 60 days notice even though the underlying policies do not include such notice. In fact, the named insured is only entitled to 10 days notice of cancellation in the event of nonpayment of premium according to current ND law

and if the insured is only entitled to 10 days notice, it is unrealistic for a certificate holder to expect to receive 60 days notice. By asking for such notice, a certificate holder is attempting to use a certificate of insurance to alter the terms of the policy which cannot be done.

In summary, Senate bill 2062 will clarify for the agent, insured, and certificate holder that a certificate of insurance is only a snapshot of coverage at a specific period of time and cannot be used to alter or amend an insurance policy. Senate bill 2062 does not attempt to dictate contract terms for the insured or third party as that is an issue that needs to be determined by those parties and the certificate holder can require any insurance coverage that they wish, but it does clarify that a certificate of insurance is not the way to guarantee contract compliance.

Certificates of insurance and their use or misuse is an issue across the entire nation and is not a problem that is unique to North Dakota. As of this date, over 30 states have either sent bulletins from their respective insurance departments clarifying how their state laws handle certificates when they have specific laws in place or have enacted legislation similar to what is being proposed by Senate bill 2062. Please allow this legislation to move forward with a Do Pass recommendation.

Thank you for your consideration.

Steve Becher, CIC, CPIA
Executive Director, Professional Insurance Agents of ND

2/1/2011 (2)

TESTIMONY OF MARILYN FOSS

S.B. 2062 – Certificates of Insurance

Mr. Chairman, members of the Senate IBL Committee, my name is Marilyn Foss. I am general counsel for the North Dakota Bankers Association (NDBA). I want to specifically thank you, Mr. Chairman, and the committee for scheduling this rehearing on S.B. 2062 so that there could be a further discussion of this issues it raises.

NDBA opposes SB 2062 in its present form. Unfortunately, the amendments which have been proposed to page 2, lines 12-14 do not address the concerns of the banking industry.

At the outset, I want to point out that this bill is to fix a problem that apparently has developed because inaccurate certificates of insurance are being issued. The inaccuracy may be due to negligence, or it may be part of a scheme to mislead the recipient of the certificate of insurance as to coverage. Irrespective of the underlying cause of the inaccuracy, the whole point of this bill is to relieve insurance companies of responsibility for the negligence or willful misconduct of the insurance company's agent and to shift the risk of the agent's negligence or misconduct to an innocent third party. Accurate certificates of insurance do not create problems which must be "solved" by legislation.

Most of the proponents' discussion of this bill has been about contractors, subcontractors, and liability. The bill does impact that, but in actuality, it language is far broader. It adversely affects banks and their customers. That is why we are appearing this morning.

Banks which are making secured loans, i.e., loans where collateral is pledged to secure repayment of a loan, typically require the borrower to provide proof that the borrower has property and casualty insurance in an amount sufficient to cover the lender's interest in the

collateral and to establish that the borrower has caused the insurance company to name the bank as an additional insured or loss payee under the insurance company. Being named as an additional insured or loss payee means both that the bank's name will be included with the borrower's if there is an insurable loss that affects the collateral and that the bank will be notified, along with the borrower, if the insurance policy lapses or is cancelled.

If S.B. 2062 is passed, bank (and other secured lenders) will no longer be able to rely on certificates of insurance as providing proof of insurance. As a result, loan closing will be delayed while banks wait for customers to produce insurance policies. This delay in loan processing will make things more difficult for banks and will make borrowers unhappy with the bank, not an insurance company.

People representing the insurance industry tell us certificates of insurance (or evidence of insurance as they can also be titled) were never "intended" to certify that there is insurance coverage. Rather they were intended to be for "information" only. But, again, it is only when a certificate of insurance misinforms, that there is a problem.

This bill changes the law of North Dakota by overturning a 1992 North Dakota Supreme Court case, Blackburn, Nickels & Smith, Inc. v. National Farmers Union Property and Casualty Company, 482 N.W. 2nd 600 (N.D. 1992). This case held insurance companies liable to a person who received a certificate of insurance from the companies' negligent insurance agent. The certificate of insurance in the case stated it was intended as "information only" and that it did not "amend, extend or alter the coverage" of the listed insurance policies which did not, in fact, exist because of the agent's negligence. So, how did the Court come to the conclusion that the insurance company was liable for listed coverage? By applying a longstanding legal precept: the insurance company, as principal, is liable for the conduct of its agent and may not shift the risk

of the agent's negligence to an innocent person who relied on the issued certificate of insurance. In December 2010, the Court again took this position in the context of banking, holding a bank liable for the conduct of a "rogue" employee.

In the spirit of trying to achieve a bill that mostly meets our needs to serve our customers, we are proposing to narrow the impact of the bill as it affects banking by proposing amendments which 1) limit its effect to commercial transactions in which there is more than $1 million in insured risk. This will allow banks to rely on certificates of insurance for consumer transactions and small business loans. The amendments to achieve this are attached to my testimony.

Thank you.

PROPOSED AMENDMENTS TO S.B. 2062

(Sponsored by the North Dakota Bankers Association)

Page 1, line 12, after the first "of" insert, "commercial"

Page 1, line 12, after "coverage", insert "in an amount greater than one million dollars.

Page 1, after line 13, insert " 3. "Commercial" means other than for personal, family or household purposes."

Page 1, line 14, replace "3" with "4"

Page 1, line 16, replace "4" with "5"

Page 1, line 17, replace "5" with "6"

Renumber accordingly.

Testimony 1

Testimony for SB 2062 – ND House IBL Committee

Representative Keiser and members of the North Dakota House Industry, Business, and Labor Committee my name is Steve Becher, Executive Director of the Professional Insurance Agents of North Dakota. I am providing testimony today and asking you for a Do Pass recommendation on Senate bill 2062.

Senate bill 2062 is a piece of legislation that addresses problems that arise for insureds and insurance agents due to property/casualty certificates of insurance. Property/casualty certificates of insurance are documents issued by or on behalf on an insurance company as a courtesy to a third party to advise them of the existence and amount of insurance issued to the named insured. Certificates are simply snapshots of basic coverages and limits in force at the time that the certificate is issued and are not intended to modify coverage or change the terms of the insurance contract.

The main problem with certificates of insurance at this time is that certificate holders, the third parties that are asking for a certificate, are attempting to use the certificate as a legal document and in ways that the certificate was never meant to be used. For instance, certificate holders are requiring that a certificate has wording that makes the insured liable for "any and all liabilities" or similar wording. Certificate holders sometimes require that the agent guarantee that the policies listed on the certificate of insurance comply fully with the requirements in the contract between the insured and the certificate holder without any exclusions or exceptions. Many times, certificate holders ask the agent to sign an opinion letter or a form of the certificate holder's design that guarantee certain

coverages, which is impossible for the agent to do as insurance forms must be filed with and approved by the ND Insurance Department before an agent can sign them. In many cases, certificate holders are telling the insured that failure to get their specific wording used on a certificate, a guarantee signed by the agent, or their own non-filed form completed will result in the insured either not getting the contract or not being paid for work that they have already completed. This puts both the insured and agent in a tough situation as the insured needs the work and does not understand how a certificate of insurance is meant to be used so they just want the agent to "sign the form" so they can go to work. Refusal to comply with the demands of the certificate holder can and does result in lost work for the insured, lost income from jobs already completed, and loss of clients for the insurance agent when the insured moves to another agent that will just "sign the form".

Senate bill 2062 is designed to clarify what a certificate of insurance "is" for insureds and certificate holders as well as what a certificate of insurance "is not". First of all, the bill clarifies that a certificate of insurance (no matter how titled or described) must be filed with and approved by the ND Insurance Department before it can be used. This is not a change from present law, but clarifies that you can't call a certificate something else such as opinion letter or evidence of coverage to get around the fact that it must be filed and approved. Secondly, the bill makes it clear that no one (agent, insured, or certificate holder) may alter or modify a form that has been filed and approved by the ND Insurance Department to affirmatively or negatively change the coverage provided by the policies listed on the certificate. If the certificate holder or insured wants the policy to be changed, it must be done through an endorsement by the insurance company and

not by a certificate of insurance. The agent may list the policies that the insured has, the limits on those policies, and other endorsements that are included but may not put wording on the form or delete wording from the form in an attempt to change policy terms. Next, the bill states that the certificate of insurance cannot reference construction contracts, service contracts, or insurance requirements for the purpose of amending the coverage on the policies to comply with those contracts. The agent can list a contract number on the certificate to help the certificate holder identify which job the certificate pertains to, but cannot change coverage to comply with contract requirements using a certificate. Lastly, the bill clarifies that certificate holders are only entitled to notice of cancellation or nonrenewal if the underlying policy or an endorsement to the policy requires such notice to be sent. Under policies today, notice of cancellation is afforded to certificates holders when an endorsement is added requiring the insurance company to provide notice. Certificate holders without this endorsement have tried to obtain notice by requiring that insurance agents include language on a certificate of insurance stating that they will be given 30, 45, or possibly 60 days notice even though the underlying policies do not include such notice. In fact, the named insured is only entitled to 10 days notice of cancellation in the event of nonpayment of premium according to current ND law and if the insured is only entitled to 10 days notice, it is unrealistic for a certificate holder to expect to receive 60 days notice. By asking for such notice, a certificate holder is attempting to use a certificate of insurance to alter the terms of the policy which cannot be done.

In summary, Senate bill 2062 will clarify for the agent, insured, and certificate holder that a certificate of insurance is only a snapshot of coverage at a specific

period of time and cannot be used to alter or amend an insurance policy. Senate bill 2062 does not attempt to dictate contract terms for the insured or third party as that is an issue that needs to be determined by those parties and the certificate holder can require any insurance coverage that they wish, but it does clarify that a certificate of insurance is not the way to guarantee contract compliance.

Certificates of insurance and their use or misuse is an issue across the entire nation and is not a problem that is unique to North Dakota. As of this date, over 30 states have either sent bulletins from their respective insurance departments clarifying how their state laws handle certificates when they have specific laws in place or have enacted legislation similar to what is being proposed by Senate bill 2062. Please allow this legislation to move forward with no further amendments with a Do Pass recommendation.

Thank you for your consideration.

Steve Becher, CIC, CPIA
Executive Director, Professional Insurance Agents of ND

North Dakota
Insurance Department
Adam W. Hamm, Commissioner

BULLETIN 2010-1

TO: All Property and Casualty Agents and Companies

FROM: Adam Hamm, Commissioner

DATE: April 5, 2010

SUBJECT: Certificates of Insurance

The Insurance Department has been made aware of situations in which agents are being asked to use forms (in particular certificates of insurance) which have not been filed with, and approved by, the Department.

N.D.C.C. §§ 26.1-30-19(4) and 26.1-30-20 require insurance companies to file on a prior approval basis the insurance policy, certificate, contract or agreement they plan to use. Once filed and approved, the insurance policy, certificate, contract, or agreement may not be altered without prior approval of the Department.

Certificates of insurance are by design a general summary of coverages contained within a given policy and are intended to document the existence of a policy and coverages to a party other than the insured, or both. Certificates of insurance are issued for informational purposes only and cannot be used to alter, amend, or extend coverages provided by the policy(ies).

Use of forms that are not filed and approved by the Department is prohibited. Agents or companies that use forms that are not filed by the company and approved by the Department are in violation of the statutory filing requirements and can be subject to administrative action.

If you have questions in regard to this bulletin, please contact Larry Maslowski at (701) 328-4976.

AH/njb

Certificates

FAQs

WHAT IS A CERTIFICATE OF INSURANCE?

A certificate of insurance is a document that provides information about insurance policies. Millions of insurance certificates are issued every year, primarily in the United States. The majority of certificates are issued upon policy renewal to provide this information to third parties. These third parties are known as certificate requestors/holders. Generally speaking, certificates list one or more lines of insurance, the limits associated with those coverages, and the insurer providing coverage.

WHAT CERTIFICATES OF INSURANCE DOES ACORD PUBLISH?

ACORD publishes the following certificate of insurance forms:

- ACORD 20 - Certificate of Aviation Liability Insurance
- ACORD 21 - Certificate of Aircraft Insurance
- ACORD 22 - Intermodal Interchange Certificate of Insurance
- ACORD 23 - Automobile Certificate of Insurance
- ACORD 24 - Certificate of Property Insurance
- ACORD 25 - Certificate of Liability Insurance
- ACORD 27 - Evidence of Property Insurance
- ACORD 28 - Evidence of Commercial Property Insurance

WHY DO BROKERS AND AGENTS ISSUE CERTIFICATES OF INSURANCE?

Policyholders may request a certificate of insurance for many reasons. Some of the more common are:

- They are a tenant, and a building owner is requesting information about the existence of liability insurance coverage
- They are the mortgagor of a building, and are requesting information about the existence of property insurance coverage upon closing or renewal
- They leased equipment and the owner of equipment wants information about the existence of property insurance coverage while equipment is in possession of the client
- They need evidence of workers compensation insurance in order to obtain a contract.

W[redacted]HE DIFFERENCE BE[redacted]N A CERTIFICATE AND A POLICY?

A Certificate of Insurance is NOT an insurance policy, and does not serve to provide, endorse, amend, extend or alter in any way the terms of an insurance policy. Only an endorsement, rider or amendment to the policy can effect changes in coverage. Reference to a contract between the client and a third party on a certificate does not provide coverage.

WHY ARE THERE SEPARATE CERTIFICATES FOR PROPERTY INSURANCE AND LIABILITY INSURANCE?

Typically, a property insurance policy obligates the insurer to notify the mortgage holder in the event of policy cancellation. A typical liability insurance policy obligates an insurer to notify only the first named insured and no one else of policy cancellation, unless the policy is endorsed to provide notice to another party. For this reason, ACORD working groups recommended publishing separate certificates.

I'M AN INSURANCE PRODUCER, AND A CLIENT HAS ASKED ME TO USE AN OLDER VERSION OF AN ACORD CERTIFICATE–WHAT SHOULD I DO?

As is true for all ACORD forms, we monitor and revise our forms as regulatory requirements change, and, where necessary, file them with state insurance departments as required. Any earlier editions of our forms that have been withdrawn from the forms library are not kept up-to-date as to regulatory requirements, and therefore should not be distributed for use. You should tell your client that a non-current version of an ACORD form may not be compliant with insurance regulations and that its use would be risky. It is imperative that all ACORD forms users use the most current versions of our forms. You can determine which of ACORD's forms are current by referring to our website (**www.acord.org**).

MY AGENCY MANAGEMENT SYSTEM STILL PROVIDES AN OLDER CERTIFICATE, AND A CLIENT HAS ASKED ME [redacted] ONE. WHAT DO?

You should ask your agency management system vendor if a software update containing current ACORD forms is available and how you can obtain that update. Vendors have certain software-updating obligations in response to forms revisions.

To use ACORD forms you have to be licensed by ACORD. Generally speaking, under ACORD's present licensing regime, agents and brokers can be licensed in two ways. One way is to buy ACORD forms-producing software from an ACORD-licensed vendor. In that case, the purchaser becomes authorized to use ACORD forms via that software. If an agent or broker wants to use an ACORD form other than through an ACORD-licensed vendor, it is easy to become licensed through ACORD's Advantage program. (The program is detailed at **http://www.acord.org/standards/forms/advantage/Pages/default.aspx**).

Regardless of where users lawfully obtain ACORD forms, it is strongly suggested that they regularly go to ACORD's website (**www.acord.org**) to obtain information on the currency of the forms being utilized and, if necessary, follow the instructions to download the current versions.

Once a form is outdated, ACORD no longer checks on whether it remains regulatorily compliant. Thus, anyone using an outdated form does so at great risk.

You should consult with your legal adviser on how ACORD's licensing requirements apply to your situation and how you may be affected in the future by any changes ACORD may make to its present licensing structure.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:
	PHONE (A/C, No, Ext): / FAX (A/C, No):
	E-MAIL ADDRESS:
	PRODUCER CUSTOMER ID #:

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A :	
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	☐ CLAIMS-MADE ☐ OCCUR						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$
	☐ POLICY ☐ PRO-JECT ☐ LOC							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ ALL OWNED AUTOS						BODILY INJURY (Per accident)	$
	☐ SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	$
	☐ HIRED AUTOS							$
	☐ NON-OWNED AUTOS							$
	UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	DEDUCTIBLE							$
	RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						WC STATU-TORY LIMITS / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER	CANCELLATION
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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Testimony 2

SENATE BILL NO. 2062

Presented by: **Larry Maslowski**
Senior Analyst and Director, Consumer Protection Property and Casualty Division
North Dakota Insurance Department

Before: **House Industry, Business and Labor Committee**
Representative George Keiser, Chairman

Date: **March 2, 2011**

TESTIMONY

Good morning, Chairman Keiser and committee members. My name is Larry Maslowski and I am the Senior Analyst and Director of the Consumer Protection Property and Casualty Division of the North Dakota Insurance Department. I appear before you in support of Engrossed Senate Bill No. 2062.

The bill before you is directed at the use of certificates of insurance in the property and casualty insurance market. The proposed bill is not directed at the use of life and health certificates of insurance as life and health certificates are used differently and are not subject to the concerns found in the property and casualty insurance market.

N.D.C.C. § 26.1- 30-19 currently requires property and casualty insurance companies to file policies, certificates, applications, riders or endorsements for approval by the Insurance Commissioner. The statutes do not, however, provide any specific additional direction on how certificates of insurance may or may not be used. In property and liability insurance, a certificate of insurance is a document that is used to verify the existence and general terms of insurance coverage. For example, it may list the effective date of a policy, the type of insurance coverage purchased, and the types and dollar amount of applicable liability coverage. A certificate of insurance is often demanded in situations where liability and large losses are a concern. For example, a company wishes to hire a driver from a temp agency. The company will most likely ask

the agency to show them a certificate of insurance that proves that certain liabilities will be covered by insurance in the event the driver causes problems, such as incurring liability while driving the company's vehicle.

The general insurance industry business practices regarding the use of certificates of insurance in the property and casualty insurance market as understood and accepted by the North Dakota Insurance Department are as follows:

- The form is intended to serve only as an informational/summary document.

- The form is intended to be used to reflect only the coverage and terms found in the referenced policy.

- The form is not to be used to convey any rights to the certificate holder that do not exist in the policy or endorsements to the policy.

- The form is not to be used by insurance agents to modify or misrepresent the referenced policy.

Attached to this testimony is a copy of Bulletin 2010-1 issued by Commissioner Hamm on April 5, 2010, which reflects the understanding and position of the Department. It is the Department's understanding that the proposed bill seeks to codify the industry business practices in an effort to clarify the appropriate use of the form for both the certificate holder and the agent/company issuing the form. The bill makes clear that these certificates of insurance are not to be used in an attempt to amend, extend, or alter the coverage afforded by the policy described in the certificate.

The Department worked with the agent associations on the drafting of the original bill and was comfortable that it reflected the best practices of the insurance industry.

In the course of making its way through the Senate, a number of interested parties offered amendments to the original bill. The Department worked diligently with all parties to produce amendments that continued to reflect the insurance industry best practices, did not alter the Department's authority to regulate, and were agreeable to all. We feel the engrossed bill does this and we, therefore, ask your support of Engrossed Senate Bill No. 2062.

North Dakota
Insurance Department
Adam W. Hamm, Commissioner

BULLETIN 2010-1

TO: All Property and Casualty Agents and Companies

FROM: Adam Hamm, Commissioner

DATE: April 5, 2010

SUBJECT: Certificates of Insurance

The Insurance Department has been made aware of situations in which agents are being asked to use forms (in particular certificates of insurance) which have not been filed with, and approved by, the Department.

N.D.C.C. §§ 26.1-30-19(4) and 26.1-30-20 require insurance companies to file on a prior approval basis the insurance policy, certificate, contract or agreement they plan to use. Once filed and approved, the insurance policy, certificate, contract, or agreement may not be altered without prior approval of the Department.

Certificates of insurance are by design a general summary of coverages contained within a given policy and are intended to document the existence of a policy and coverages to a party other than the insured, or both. Certificates of insurance are issued for informational purposes only and cannot be used to alter, amend, or extend coverages provided by the policy(ies).

Use of forms that are not filed and approved by the Department is prohibited. Agents or companies that use forms that are not filed by the company and approved by the Department are in violation of the statutory filing requirements and can be subject to administrative action.

If you have questions in regard to this bulletin, please contact Larry Maslowski at (701) 328-4976.

AH/njb

Testimony 3

TESTIMONY
Senate Bill 2062
House Industry Business & Labor
Representative Keiser, Chairman
March 2, 2011

Chairman Keiser and members of the House Industry Business & Labor Committee, I am Evan Mandigo, State Executive for the ND Association of Independent Insurance Agents. I am here this morning to speak in favor of Senate Bill 2062 which relates to property and casualty insurance certificates of insurance. It will be a new chapter of Title 26.1 of the North Dakota Century Code.

The bill before you is the product of nearly a year's worth of drafting effort by a coalition of independent insurance agent groups and a major regional carrier headquartered in Bismarck. We also enlisted the assistance of Commissioner Hamm's staff and included their input from a regulatory perspective. They were most helpful and offered insights that would never have occurred to us. It also reflects changes brought forth by a number of interest groups during its consideration in the Senate.

This is really a simple bill, but the issues are not so simple. Here is a liability certificate of insurance- a one page document attached to my testimony. It is no more or no less than a snapshot of an underlying insurance policy and that caveat has been prominently displayed on every edition I have ever seen. It is a convenience for those who ask for or who have established a need for one. Properly utilized, it is a key part of countless business transactions entered into every day. Unfortunately it has been misused, abused, and utilized for purposes

far beyond its legal scope. That is why we are here today, to offer a remedy which is to create a new chapter of Title 26.1 that clearly establishes what a property and casualty certificate is and what it can and cannot do.

Despite insurance agents and companies' diligent efforts to educate requestors on what a certificate can and can't do, the message often falls on deaf ears. It put us and our clients in difficult, if not impossible situations. We cannot respond to requests that are often illegal or impossible, yet our clients face pressure to produce it to get paid or secure work.

Here's what the bill does:

- A certificate is a form filed with and approved by the insurance department. Unless it is approved by the Department, it is illegal to use in North Dakota. The requestor may not require nor can a person issue an unapproved form for risks in this state. That includes any addendum, interpretation, or checklist. If it is not filed and approved, it can't be used.
- Makes it illegal to alter a certificate of insurance form once approved. Policy holders receive demands to place language in the remarks section which alter the approved form.
- A certificate of insurance can't guarantee that the insurance policies referenced in the certificate comply with a contract or amend the policy to do so.
- Certificate holders are only entitled to whatever cancellation notice is contained in the policy. We often see demands by certificate users for at least 30 days notice of cancellation or in the case of one want 30 days' notice of expiration even though that is

clearly stated in the certificate. Unless a specific endorsement is issued, only the policy holder is entitled to notice of cancellation and then only 10 days for non-payment of premium.

Our clients are the thousands of business owners and your constituents in communities throughout North Dakota. They look to us as their insurance experts to respond to the demands of requestors who often only want a piece of paper for their file without regard to whether coverage is available, affordable, outdated, or in some cases down right impossible. One requestor continues to ask for evidence of coverage that has not existed in the form they require on the certificate for over 25 years. Clients receive a multitude of not so subtle economic threats like:

- Failure to deliver will be considered a material breach of contract and would enable immediate termination of the agreement.
- Requestors threaten to withhold contract payment unless the certificate is produced
- Clients will be removed from an approved/qualified bidders list if they cannot produce the certificate.
- One very recent response provided a sub-contractor in the eastern part of the state was "your agent is the only one in the state taking that position-you need to get a new agent". All the agent did was point out the certificate form demanded was not filed with the Department and she could not issue it.

Often the response we hear is delivered by a staff member who has little knowledge of nor concern about the subject and only wants an item checked off their to do list. Independent

insurance agents are placed squarely in the middle of this mess. Business owners expect us to respond to the demands so they can get paid and secure work. Property owners expect us to respond to lenders who ask for outdated and unapproved certificates of insurance. When we tell them it can't be done, for any of the reasons above, they often don't understand.

This bill clarifies and manages the expectations of everyone involved in the production and use of certificates of insurance, including requestors, ND business owners, property owners, and issuers.

The conditions of the bill are not onerous nor would ND be plowing any new ground. At least 30 other states have enacted similar legislation. Utah just passed very similar legislation which awaits their Governor's signature. Georgia has also introduced legislation similar to ours. Louisiana passed legislation on the subject last year.

Thank you, Mr. Chairman and members of the committee. I will be happy to answer any questions you have. I urge you to adopt a Do Pass recommendation for consideration by the full House.

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:
	PHONE (A/C, No, Ext): FAX (A/C, No):
	E-MAIL ADDRESS:
	PRODUCER CUSTOMER ID #:

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A :	
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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	☐ ☐ CLAIMS-MADE ☐ OCCUR						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$
	☐ POLICY ☐ PRO-JECT ☐ LOC							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ ALL OWNED AUTOS						BODILY INJURY (Per accident)	$
	☐ SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	$
	☐ HIRED AUTOS							$
	☐ NON-OWNED AUTOS							$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DEDUCTIBLE							$
	RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N ☐	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
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