

Introduced by

Senators Lyson, Oehlke, Olafson, O'Connell

Representative Sukut

1 A BILL for an Act to create and enact a new chapter to title 26.1 of the North Dakota Century  
2 Code, relating to property and casualty certificates of insurance.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new chapter to title 26.1 of the North Dakota Century Code is created and  
5 enacted as follows:

6 **Definitions.**

7 As used in this chapter:

8 1. "Certificate holder" means a person, other than a policyholder, to which a certificate of  
9 insurance has been issued.

10 2. "Certificate of insurance" means a document or instrument, regardless of how titled or  
11 described, that is prepared or issued by an insurer or insurance producer as evidence  
12 of property or casualty insurance coverage. The term does not include a policy of  
13 insurance or insurance binder.

14 3. "Insurance producer" means a person required to be licensed under the laws of this  
15 state to sell, solicit, or negotiate property or casualty insurance.

16 4. "Insurer" means any organization that issues property or casualty insurance.

17 5. "Policyholder" means a person that contracted with an insurer for property or casualty  
18 insurance coverage.

19 **Limitations on issuance of certificates of insurance.**

20 A person may not prepare, issue, or require the issuance of a certificate of insurance on  
21 property, operations, or risks located in this state unless the certificate of insurance form has  
22 been filed with the commissioner by or on behalf of the insurer and has been approved by the  
23 commissioner.

1        **Form of certificates of insurance.**

2        A certificate of insurance must contain the following or similar statement: "This certificate of  
3 insurance is issued as a matter of information only and confers no rights upon the certificate  
4 holder. This certificate of insurance does not amend, extend, or alter the coverage, terms,  
5 exclusions, or conditions afforded by the policies referenced in this certificate of insurance."

6        **Certificate of insurance limitations.**

7        A person may not alter or modify a certificate of insurance form approved by the  
8 commissioner; may not demand, require, or issue a certificate of insurance that contains any  
9 false or misleading information concerning the policy of insurance to which the certificate of  
10 insurance makes reference; and may not knowingly prepare or issue a certificate of insurance  
11 that purports to affirmatively or negatively alter, amend, or extend the coverage provided by the  
12 policy.

13       **Certificate of insurance warranty prohibition.**

14       A certificate of insurance may not warrant that the policies referenced in the certificate of  
15 insurance comply with the insurance or indemnification requirements of a contract and the  
16 inclusion of a contract number or description within a certificate of insurance may not be  
17 interpreted as doing such.

18       **Notice requirements.**

19       A certificate holder is entitled to notice of cancellation, nonrenewal, or any material change  
20 and to any similar notice concerning a policy of insurance if the certificate holder is named  
21 within the policy or any endorsement as an additional insured and the policy or endorsement  
22 requires notice to be provided. The terms and conditions of the notice are governed by the  
23 policy of insurance and may not be altered by a certificate of insurance.