

515.115 Certificates of insurance — penalty.

1. As used in [this section](#), unless the context otherwise requires:

a. “*Certificate of insurance*” means a document or instrument, regardless of how the document or instrument is titled or described, that is prepared or issued by an insurer or insurance producer as evidence of property and casualty insurance coverage. “*Certificate of insurance*” does not include a policy of insurance, insurance binder, policy endorsement, or automobile insurance identification or information card.

b. “*Commercial real estate transaction*” means a non-recourse commercial lending transaction in which the underlying property serves as the primary collateral securing the borrower’s repayment of the loan and the borrower or any of the borrower’s members, partners, or shareholders, or any person related to the borrower or the borrower’s members, partners, or shareholders, does not bear the economic risk of loss in the event of a payment default under the terms of the commercial lending transaction.

c. “*Insurance producer*” means a person required to be licensed pursuant to [chapter 522B](#) to sell, solicit, or negotiate property and casualty insurance.

d. “*Insurer*” means a property and casualty insurance company regulated under [this chapter](#).

e. “*Person*” means the same as defined in [section 4.1](#).

2. a. The commissioner of insurance shall prohibit the use of a certificate of insurance form if the form is either of the following:

(1) Unfair, misleading, or deceptive, or violates public policy.

(2) Violates any law, including any rule adopted by the commissioner of insurance pursuant to [chapter 17A](#).

b. A certificate of insurance is not a policy of insurance and does not affirmatively or negatively amend, extend, or alter the coverage afforded by the policy to which the certificate of insurance makes reference. A certificate of insurance shall not confer on any person new or additional rights beyond what the referenced policy of insurance expressly provides.

c. Notwithstanding any provision of [this chapter](#) to the contrary, or any language on a certificate of insurance that states that the form is for “information only”, a binder delivered together with a certificate of insurance in connection with a commercial real estate transaction shall be valid and may be relied upon by the borrower or by the borrower’s lender as evidence of insurance, including in a private civil action or an administrative proceeding, until the delivery of the insurance policy to the borrower or the cancellation of the binder pursuant to [section 515.125](#), [515.126](#), or [515.127](#).

3. a. A person shall not do any of the following:

(1) Prepare, issue, request, or require the issuance of a certificate of insurance that contains any false or misleading information concerning the policy of insurance to which the certificate of insurance makes reference.

(2) Prepare, issue, request, or require the issuance of a certificate of insurance that purports to affirmatively or negatively amend, extend, or alter the coverage provided by the policy of insurance to which the certificate of insurance makes reference.

b. A certificate of insurance shall not warrant that the policy of insurance referenced in the certificate of insurance complies with the insurance or indemnification requirements of a contract and the inclusion of a contract number or description within a certificate of insurance shall not be interpreted as warranting compliance with such requirements.

4. A person is entitled to notice of cancellation, nonrenewal, or material change concerning a policy of insurance or to any similar notice concerning a policy of insurance only if the person has such rights to notice under the terms of the policy of insurance or any endorsement to the policy of insurance. The terms and conditions of a person’s right to notice are governed by the policy of insurance or the endorsement and shall not be altered by a certificate of insurance.

5. a. The provisions of [this section](#) are applicable to all certificates of insurance issued in connection with property, operations, or risks located in this state, regardless of where the policyholder, insurer, insurance producer, or person requesting or requiring the issuance of a certificate of insurance is located.

b. A certificate of insurance or any other document or correspondence prepared, issued, requested, or required in violation of [this section](#) is null and void.

6. The commissioner of insurance may do all of the following:

a. Examine and investigate the activities of any person that the commissioner reasonably believes has been or is engaged in an act or practice prohibited under [this section](#).

b. Enforce the provisions of [this section](#), including the authority to issue orders to cease and desist, and to impose a penalty in an amount of five hundred dollars per violation to be collected in the name of the state for deposit as provided in [section 505.7](#).

c. Adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

[2017 Acts, ch 51, §1 – 3](#)

Section takes effect April 12, 2017, and applies to certificates of insurance prepared, issued, requested, or required beginning ninety days after that date; [2017 Acts, ch 51, §2, 3](#)