

House Bill 66

By: Representatives Maxwell of the 17th, Meadows of the 5th, Rogers of the 26th, Murphy of the 120th, Hembree of the 67th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating
2 generally to insurance, so as to provide for certificate of insurance forms to be approved by
3 the commissioner; to provide for definitions; to provide certain provisions of such certificate;
4 to provide for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 SECTION 1.

7 Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating generally to
8 insurance, is amended by adding a new Code section to read as follows:

9 "33-24-19.1

10 (a) As used in this Code section, the term:

11 (1) 'Certificate' or 'certificate of insurance' means any document or instrument, no matter
12 how titled or described, which is prepared or issued by an insurer or insurance producer
13 as evidence of property or casualty insurance coverage. 'Certificate' or 'certificate of
14 insurance' shall not include a policy of insurance or insurance binder.

15 (2) 'Certificate holder' means any person, other than a policyholder, that requests,
16 obtains, or possesses a certificate of insurance.

17 (3) 'Insurance producer' means a person required to be licensed under the laws of this
18 state to sell, solicit, or negotiate insurance.

19 (4) 'Insurer' means any person engaged as indemnitor, surety, or contractor who issues
20 insurance, annuity or endowment contracts, subscriber certificates, or other contracts of
21 insurance by whatever name called. Hospital service nonprofit corporations, nonprofit
22 medical service corporations, burial associations, health care plans, and health
23 maintenance organizations are insurers within the meaning of this title.

24 (5) 'Person' means any individual, partnership, corporation, association, or other legal
25 entity, including any government or governmental subdivision or agency.

26 (6) 'Policyholder' means a person who has contracted with a property or casualty insurer
27 for insurance coverage.

28 (b) No person, wherever located, may prepare, issue, or request the issuance of a certificate
29 of insurance unless the form has been filed with and approved by the Commissioner of
30 Insurance. No person, wherever located, may alter or modify an approved certificate of
31 insurance form.

32 (c) The Commissioner of Insurance shall disapprove a form filed under this Code section,
33 or withdraw approval of a form, if the form:

34 (1) Is unjust, unfair, misleading, or deceptive, or violates public policy;

35 (2) Fails to comply with the requirements of subsection (d); or

36 (3) Violates any law, including any regulation adopted by the commissioner of insurance.

37 (d) Each certificate of insurance must contain the following or similar statement: 'This
38 certificate of insurance is issued as a matter of information only and confers no rights upon
39 the certificate holder. This certificate does not amend, extend, or alter the coverage, terms,
40 exclusions, and conditions afforded by the policies referenced herein.'

41 (e) Standard certificate of insurance forms promulgated by the Association for Cooperative
42 Operations Research and Development or the Insurance Services Office are deemed
43 approved by the Commissioner of Insurance and are not required to be filed if the forms
44 otherwise comply with the requirements of this Code section.

45 (f) No person, wherever located, shall demand or request the issuance of a certificate of
46 insurance from an insurer, insurance producer, or policyholder that contains any false or
47 misleading information concerning the policy of insurance to which the certificate makes
48 reference.

49 (g) No person, wherever located, may knowingly prepare or issue a certificate of insurance
50 that contains any false or misleading information or that purports to affirmatively or
51 negatively alter, amend, or extend the coverage provided by the policy of insurance to
52 which the certificate makes reference.

53 (h) No person may prepare, issue, or request, either in addition to or in lieu of a certificate
54 of insurance, an opinion letter or other document or correspondence that is inconsistent
55 with this Code section; provided, however, that an insurer, insurance producer, or
56 policyholder may prepare or issue an addendum to a certificate that clarifies and explains
57 the coverages provided by a policy of insurance and otherwise complies with the
58 requirements of this Code section.

59 (i) The provisions of this Code section shall apply to all certificate holders, policyholders,
60 insurers, insurance producers, and certificate of insurance forms issued as evidence of
61 insurance coverages on property, operations, or risks located in this state, regardless of
62 where the certificate holder, policyholder, insurer, or insurance producer is located.

63 (j) A certificate of insurance is not a policy of insurance and does not affirmatively or
64 negatively amend, extend, or alter the coverage afforded by the policy to which the
65 certificate of insurance makes reference. A certificate of insurance shall not confer to a
66 certificate holder new or additional rights beyond what the referenced policy of insurance
67 expressly provides.

68 (k) No certificate of insurance shall contain references to contracts, including construction
69 or service contracts, other than the referenced contract of insurance. Notwithstanding any
70 requirement, term, or condition of any contract or other document with respect to which
71 a certificate of insurance may be issued or may pertain, the insurance afforded by the
72 referenced policy of insurance is subject to all the terms, exclusions, and conditions of the
73 policy itself.

74 (l) A certificate holder shall only have a legal right to notice of cancellation, nonrenewal,
75 or any material change, or any similar notice concerning a policy of insurance if the person
76 is named within the policy or any endorsement as an additional insured and the policy or
77 endorsement requires notice to be provided. The terms and conditions of the notice,
78 including the required timing of the notice, are governed by the policy of insurance and
79 cannot be altered by a certificate of insurance.

80 (m) An insurance producer may charge a reasonable service fee for issuing a certificate
81 to a policyholder or certificate holder.

82 (n) Any certificate of insurance or any other document or correspondence prepared, issued,
83 or requested in violation of this Code section shall be null and void and of no force and
84 effect.

85 (o) Any person who violates this Code section may be fined up to \$5,000 per violation.

86 (p) The Commissioner of Insurance shall have the power to examine and investigate the
87 activities of any person that the Commissioner reasonably believes has been or is engaged
88 in an act or practice prohibited by this Code section. The Commissioner of Insurance shall
89 have the power to enforce the provisions of this Code section and to impose any authorized
90 penalty or remedy against any person who violates this Code section.

91 (q) The Commissioner of Insurance may adopt reasonable rules and regulations as are
92 necessary or proper to carry out the provisions of this Code section."

93 **SECTION 2.**

94 All laws and parts of laws in conflict with this Act are repealed.