



Effective on July 28, 2015, an amendment to the insurance law will go into effect that makes it illegal to require a certificate of insurance to include language of any kind, including warranties of coverage, not found in the underlying policy.

Penalties

The Department of Financial Services may fine violators (including issuers & requestors) \$1,000 for the first offense & \$2,000 for each subsequent.

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What Is A Certificate of Insurance?

- Description of an organization's insurance coverage at a specific point in time
- Document for conveying information, not for guaranteeing coverage
- A certificate cannot change a policy's coverage or confer additional rights on the certificate holder

Who Does The Law Apply To?

- Individuals, businesses, associations and other entities
- Public entities (the State of New York, counties, cities, towns, villages, school districts, public libraries, public corporations & similar entities)
- New York State, local, interstate and international public authorities and their employees, officers and elected officials

What Does the Law Change?

Certificate holders may still request minimum insurance requirements for coverage limits, terms and other conditions. However they CANNOT REQUIRE their certificate to include any of the following IF THE ITEMS ARE NOT PROVIDED within the insurance policy:

- Terms
- Conditions
- Language
- Warranties
- Guarantees

What Are Acceptable Certificate Forms?

Certificate holders can only request a certificate that is:

- A form issued by the insurer providing the coverage
- A standard certificate form issued by an insurance industry standard-setting organization (such as ISO or ACORD) and approved by the New York State Department of Financial Services, or
- Any other form approved by the DFS

Prohibitions

Certificate holders may not require a certificate as a condition to:

- Award contracts;
- Permit work to start; or
- Pay for work completed

Unless their requested certificate is one of the three acceptable forms indicated above.