

## 6545--A

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(D) "INSURER" MEANS ANY PERSON "DOING AN INSURANCE BUSINESS" AS SUCH PHRASE IS DEFINED IN SECTION ONE THOUSAND ONE HUNDRED ONE OF THIS CHAPTER.

(E) "PERSON" MEANS ANY INDIVIDUAL, PARTNERSHIP, CORPORATION, ASSOCIATION, OR OTHER LEGAL ENTITY, BUT SHALL NOT INCLUDE ANY GOVERNMENTAL ENTITY, AS THAT TERM IS DEFINED IN THIS SECTION.

(F) "GOVERNMENTAL ENTITY" MEANS ANY PUBLIC ENTITY AS DEFINED IN PARAGRAPH FIFTY-ONE OF SUBSECTION (A) OF SECTION ONE HUNDRED SEVEN OF THIS CHAPTER, ANY STATE AUTHORITY AS DEFINED IN SUBDIVISION ONE OF SECTION TWO OF THE PUBLIC AUTHORITIES LAW, ANY LOCAL AUTHORITY AS DEFINED IN SUBDIVISION TWO OF SECTION TWO OF THE PUBLIC AUTHORITIES LAW, AND ANY INTERSTATE OR INTERNATIONAL AUTHORITY AS DEFINED IN SUBDIVISION THREE OF SECTION TWO OF THE PUBLIC AUTHORITIES LAW.

(G) "POLICYHOLDER" MEANS A PERSON WHO HAS CONTRACTED WITH A PROPERTY OR CASUALTY INSURER FOR INSURANCE COVERAGE.

S 502. PROHIBITIONS. (A) NO PERSON OR GOVERNMENTAL ENTITY SHALL PREPARE, ISSUE, REQUEST, OR REQUIRE THE ISSUANCE OF A CERTIFICATE IF SUCH PERSON OR GOVERNMENTAL ENTITY KNOWS THAT SUCH CERTIFICATE DOES NOT COMPLY WITH THE FOLLOWING PROVISIONS:

(1) THE CERTIFICATE IS A STANDARD CERTIFICATE OF INSURANCE FORM PROMULGATED AND AUTHORIZED FOR USE BY THE ASSOCIATION FOR COOPERATIVE OPERATIONS RESEARCH AND DEVELOPMENT (ACORD) OR THE INSURANCE SERVICES OFFICE (ISO);

(2) THE CERTIFICATE IS A FORM PROMULGATED BY THE INSURANCE COMPANY THAT HAS UNDERWRITTEN THE POLICY REFERENCED IN THE CERTIFICATE OF INSURANCE; OR

(3) THE CERTIFICATE IS A FORM PREPARED, ISSUED, OR REQUESTED AS EVIDENCE OF INSURANCE IN CONNECTION WITH A COMMERCIAL LENDING TRANSACTION IN WHICH THE UNDERLYING PROPERTY SERVES AS THE PRIMARY COLLATERAL SECURING THE BORROWER'S REPAYMENT OF THE LOAN, INCLUDING, BUT NOT LIMITED TO A FORM PROMULGATED BY THE MORTGAGE BANKERS ASSOCIATION (MBA).

(4) THE CERTIFICATE IS A FORM PROMULGATED BY A GOVERNMENTAL ENTITY THAT IS CONSIDERED A COVERED AGENCY UNDER SECTION FIFTY-ONE OF THE EXECUTIVE LAW, PROVIDED SUCH FORM HAS BEEN APPROVED FOR USE BY THE SUPERINTENDENT.

(B) NO PERSON OR GOVERNMENTAL ENTITY SHALL ALTER, MODIFY, REQUEST, OR REQUIRE THE ALTERATION OF A CERTIFICATE OF INSURANCE FORM WHEN SUCH PERSON OR GOVERNMENTAL ENTITY KNOWS THAT SUCH ALTERATION, MODIFICATION, REQUEST OR REQUIREMENT IS IN VIOLATION OF THIS ARTICLE.

(C) NO PERSON OR GOVERNMENTAL ENTITY SHALL REQUEST OR REQUIRE THAT A CERTIFICATE OF INSURANCE FORM CONTAIN ADDITIONAL TERMS, CONDITIONS, OR LANGUAGE OF ANY KIND NOT FOUND IN THE INSURANCE POLICY TO WHICH THE CERTIFICATE MAKES REFERENCE OR TO AN ENDORSEMENT TO SUCH POLICY WHEN SUCH PERSON OR GOVERNMENTAL ENTITY KNOWS SUCH REQUEST OR REQUIREMENT IS IN VIOLATION OF THIS ARTICLE.

(D) NO PERSON OR GOVERNMENTAL ENTITY SHALL REQUEST OR REQUIRE EITHER IN ADDITION TO OR IN LIEU OF A CERTIFICATE OF INSURANCE, AN OPINION LETTER, WARRANTY, STATEMENT, SUPPLEMENTAL CERTIFICATE OR ANY OTHER DOCUMENT OR CORRESPONDENCE THAT SUCH PERSON OR GOVERNMENTAL ENTITY KNOWS TO BE INCONSISTENT WITH THE PROHIBITIONS OF THIS SECTION. HOWEVER, AN INSURER OR INSURANCE PRODUCER MAY PREPARE OR ISSUE AN ADDENDUM TO A CERTIFICATE THAT CLARIFIES AND EXPLAINS THE COVERAGE PROVIDED BY A POLICY OF INSURANCE AND OTHERWISE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION, PROVIDED SUCH AUTHORITY IS GRANTED TO THE PRODUCER BY THE INSURER.

1 (E) NO PERSON OR GOVERNMENTAL ENTITY SHALL REQUEST OR REQUIRE A  
2 CERTIFICATE OF INSURANCE THAT SUCH PERSON OR GOVERNMENTAL ENTITY KNOWS  
3 CONTAINS REFERENCES TO A CONTRACT OTHER THAN THE INSURANCE POLICY, OR  
4 WARRANTS THAT THE INSURANCE POLICIES REFERENCED IN THE CERTIFICATE  
5 COMPLY WITH THE REQUIREMENTS OF A PARTICULAR CONTRACT PROVIDED HOWEVER A  
6 CERTIFICATE MAY INCLUDE A CONTRACT TITLE OR DESCRIPTION FOR THE SOLE  
7 PURPOSE OF IDENTIFYING THE PROJECT FOR WHICH THE CERTIFICATE WAS ISSUED,  
8 BUT SUCH INCLUSION SHALL NOT BE INTERPRETED AS WARRANTING THAT THE  
9 INSURANCE POLICIES REFERENCED IN THE CERTIFICATE COMPLY WITH THE  
10 REQUIREMENTS OF SUCH CONTRACT.

11 (F) NO PERSON OR GOVERNMENTAL ENTITY SHALL REQUEST OR REQUIRE, PREPARE  
12 OR ISSUE A CERTIFICATE OF INSURANCE THAT SUCH PERSON OR GOVERNMENTAL  
13 ENTITY KNOWS: (I) DOES NOT ACCURATELY STATE THE TERMS OF COVERAGE  
14 PROVIDED BY THE POLICY OR POLICIES OF INSURANCE TO WHICH THE CERTIFICATE  
15 MAKES REFERENCE; (II) PURPORTS TO ALTER, AMEND, EXTEND, OR MISREPRESENT  
16 THE TERMS OF COVERAGE TO WHICH THE CERTIFICATE MAKES REFERENCE; OR (III)  
17 PURPORTS TO CONFER TO ANY PERSON NEW OR ADDITIONAL RIGHTS BEYOND WHAT  
18 THE REFERENCED POLICY OF INSURANCE EXPRESSLY PROVIDES.

19 S 503. APPLICABILITY. THE PROVISIONS OF THIS SECTION SHALL APPLY TO  
20 ALL CERTIFICATE HOLDERS, POLICYHOLDERS, INSURERS, INSURANCE PRODUCERS,  
21 OR ANY OTHER PERSON AND TO CERTIFICATE OF INSURANCE FORMS ISSUED AS  
22 EVIDENCE OF INSURANCE COVERAGES ON PROPERTY, OPERATIONS, OR RISKS  
23 LOCATED IN THIS STATE, REGARDLESS OF WHERE THE CERTIFICATE HOLDER, POLI-  
24 CYHOLDER, INSURER, OR INSURANCE PRODUCER IS LOCATED.

25 S 504. ENFORCEMENT. (A) THE SUPERINTENDENT SHALL HAVE THE POWER UNDER  
26 SECTION FOUR HUNDRED FOUR OF THE FINANCIAL SERVICES LAW TO EXAMINE AND  
27 INVESTIGATE THE ACTIVITIES OF ANY PERSON THAT THE SUPERINTENDENT REASON-  
28 ABLY BELIEVES HAS BEEN OR IS ENGAGED IN AN ACT OR PRACTICE PROHIBITED BY  
29 THIS ARTICLE. THE SUPERINTENDENT SHALL HAVE THE POWER TO ENFORCE THE  
30 PROVISIONS OF THIS SECTION AND IMPOSE ANY AUTHORIZED PENALTY OR REMEDY  
31 AS PROVIDED UNDER SECTION FOUR HUNDRED EIGHT OF THE FINANCIAL SERVICES  
32 LAW AGAINST ANY PERSON WHO VIOLATES THIS ARTICLE.

33 (B) THE OFFICE OF THE STATE INSPECTOR GENERAL SHALL HAVE THE POWER  
34 PURSUANT TO SECTION FIFTY-THREE OF THE EXECUTIVE LAW TO INVESTIGATE ANY  
35 GOVERNMENTAL ENTITY THAT IS CONSIDERED A COVERED AGENCY UNDER SECTION  
36 FIFTY-ONE OF THE EXECUTIVE LAW THAT HAS BEEN OR IS ENGAGED IN AN ACT OR  
37 PRACTICE PROHIBITED BY THIS ARTICLE. IF A GOVERNMENTAL ENTITY NOT  
38 CONSIDERED A COVERED AGENCY UNDER SECTION FIFTY-ONE OF THE EXECUTIVE LAW  
39 HAS BEEN OR IS ENGAGED IN AN ACT OR PRACTICE PROHIBITED BY THIS ARTICLE,  
40 THAT ENTITY'S INSPECTOR GENERAL, OTHER COMPLIANCE OR INTERNAL INVESTI-  
41 GATIVE UNIT OR OTHER OFFICIAL OR ENTITY WITH PROPER AUTHORITY SHALL HAVE  
42 THE POWER TO INVESTIGATE SUCH ENTITY.

43 S 505. RULES AND REGULATIONS. THE SUPERINTENDENT MAY ADOPT RULES OR  
44 REGULATIONS AS HE OR SHE CONSIDERS APPROPRIATE TO CARRY OUT THE  
45 PROVISIONS OF THIS ARTICLE.

46 S 2. This act shall take effect on the ninetieth day after it shall  
47 have become a law.