COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN
COMMISSIONER

OFFICE OF THE MONTANA
STATE AUDITOR

ADVISORY MEMORANDUM

TO: ALL LICENSED PROPERTY AND CASUALTY INSURANCE CARRIERS DOING BUSINESS IN MONTANA

FROM: MONICA J. LINDEEN - Commissioner of Securities and Insurance
Montana State Auditor [CSI]

DATE: AUGUST 11, 2010

ISSUANCE OF CERTIFICATES OF INSURANCE

Certificates of insurance, evidences of insurance, and similar insurance policy-related documents (collectively "certificates") serve a valuable informational purpose and provide a courtesy summary of the terms of an insurance policy to an insured or third party. The CSI is aware, however, that some insurance producers and insurers have been asked to provide certificates that purport to amend, extend, or alter the coverage of the underlying policy. Although the insurance industry may feel pressured or obligated to provide certificates that revise or misrepresent the actual policy coverage, such acts may violate the Montana Insurance Code, Mont. Code Ann. § 33-1-101, et seq. When insurers and producers issue a certificate of insurance that obscures or misrepresents the insurance coverage provided under the insurance policy, they may be violating Mont. Code Ann. §§ 33-1-1201, et seq. and 33-1-1301, et seq.

Additionally, if any producer adds or removes information to or from the Certificate of Insurance beyond the specific fields allowed by the form or beyond what has been approved by the insurer, it may result in a complaint or action against the producer. Penalties for such actions could include the producer's insurance license being suspended or revoked pursuant to Mont. Code Ann. § 33-17-1001.

The CSI urges all insurers to forward a copy of this bulletin to their producers as a reminder of the consequences of providing improper certificates.

If you have questions about this bulletin, please contact Jesse Laslovich, Esq., Chief Legal Counsel, at (406) 444-2040.