



**PROFESSIONAL
INSURANCE
AGENTS**

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DATE: March 11, 2014

TO: Connecticut Joint Insurance Committee

FROM: Mary Kay Andrews, CIC
Legislative Chair, Professional Insurance Agents of Connecticut Inc.

RE: **SUPPORTING RAISED H.B. 5248**

I am writing on behalf of the Professional Insurance Agents of Connecticut Inc., an association representing more than 400-member professional, independent insurance agents who employ thousands of people throughout the state. We write to **support** Raised H.B 5248, which seeks to eliminate demands for improper certificates of insurance.

This bill, based on a model unanimously approved this fall by the National Conference of Insurance Legislators, seeks to relieve pressure put on insurance producers to issue certificates of insurance or similar statements that go beyond their intended purpose of memorializing the existence of a specific insurance policy at a moment in time.

PIACT members continue to receive a steady stream of requests from private parties and government instrumentalities to issue certificates or similar documents that offer commentary about the policy, or certify how the policy will react in certain conditions. In 2010, the Connecticut Insurance Department issued Bulletin S-14, which addressed one element of this issue by reiterating the existence of law (CGS Section 38a 816(1)(a) which prohibits the creation and dissemination of statements, such as a certificate of insurance, that misrepresents the underlying policy. PIACT sincerely appreciates the department's efforts in this regard. However, PIACT members continue to report demands for certificates that do not merely reflect coverages or additional insureds not named on the underlying policy, but are demands to sign off on pre-made, one-off certificates that attest that an underlying policy will respond to various claims in a specific manner, or is expressly suitable for a certain project. In many cases this information is not just unknown at the time, but unknowable until a claim arises. These demanded forms do not seek to misrepresent the terms of existing policy, but create new obligations on the insurer and agent and privileges for the certificate holder beyond those initially contemplated at the time of purchase. Most troubling, many of these demands are made after a project has been completed, but before payment has been rendered to the service provider. Insureds tell their brokers, "The people who hired me say they need a certificate that says [x], or I can't get paid" forcing producers to choose between seeing their clients' businesses succeed, and following correct insurance practices.

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This bill seeks to impose a modicum of order on what is at times, the chaotic world of certificate requests, where standard ACORD and ISO forms which serve strictly as a “snapshot” of a policy at a given time but are often seen as merely a “starting point” for some requestors. These standard forms would be presumed to be approved, and limit the use of custom forms except for where they are truly necessary.

The vast majority of Connecticut insurance agents are diligent and responsible and refuse to issue inaccurate certificates or attestations and certifications and are then put in the unfortunate position of being asked why they cannot or will not “help” his or her client out.

PIACT members seek this legislation to, in concert with the existing departmental guidance, operate in a space where there is less confusion, more predictability and a clearer regulation of the certificate of insurance process—a goal which will lead to more certainty and less friction for insurers, purchasers, agents and the public alike.

**THIS FORM MUST BE COMPLETED BY THE INSURANCE
BROKER OF RECORD. IF FOR ANY REASON THIS FORM
CANNOT BE COMPLETED, PLEASE SUBMIT [REDACTED] A
CERTIFIED COPY OF THE INSURANCE POLICY FOR REVIEW**

**Commercial General Liability Policy
Exclusion Verification Certificate**

As the insurance agent of record for the below stated policy. I certify that said policy does not contain any of the following exclusions:

Subcontractor / Policy Owner: _____

Insurance Carrier: _____

General Liability Policy #: _____ Exp. Date: _____

Initial

_____ **Contractual Liability: the policy does not contain any exclusions or limitations for Contractual Liability.**

_____ **Broad Form Property Damage: the policy does not contain any exclusions or limitations for Broad Form Property Damage.**

Explain exceptions:

Authorized Signature _____ Date: _____

Insurance Agency: _____

Address: _____

City: _____ State: _____ Zip: _____