

Introduced by

Senators Lyson, Oehlke, Olafson, O'Connell

Representative Sukut

1 A BILL for an Act to create and enact a new chapter to title 26.1 of the North Dakota Century  
2 Code, relating to property and casualty certificates of insurance.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new chapter to title 26.1 of the North Dakota Century Code is created and  
5 enacted as follows:

6 **Definitions.**

7 As used in this chapter:

- 8 1. "Certificate holder" means a person, other than a policyholder, to which a certificate of  
9 insurance has been issued.
- 10 2. "Certificate of insurance" means a document or instrument, regardless of how titled or  
11 described, that is prepared or issued by an insurer or insurance producer as  
12 evidence a statement of property or casualty insurance coverage. The term does not  
13 include a policy of insurance or insurance binder.
- 14 3. "Insurance producer" means a person required to be licensed under the laws of this  
15 state to sell, solicit, or negotiate property or casualty insurance.
- 16 4. "Insurer" means any organization that issues property or casualty insurance.
- 17 5. "Policyholder" means a person that contracted with an insurer for property or casualty  
18 insurance coverage.

19 **Limitations on issuance of certificates of insurance.**

20 A person may not prepare, issue, or require the issuance of a certificate of insurance on  
21 property, operations, or risks located in this state unless the certificate of insurance form has  
22 been filed with the commissioner by or on behalf of the insurer and has been approved by the  
23 commissioner. The commissioner may designate as meeting the requirements of this section  
24 and not requiring further approval a standard certificate of insurance form, which may include a

1 form promulgated and filed by a national insurance advisory organization, such as the  
2 association for cooperative research and development, the American association of insurance  
3 services, and the insurance services office.

4 ~~— **Form of certificates of insurance.**~~

5 ~~— A certificate of insurance must contain the following or similar statement: "This certificate of~~  
6 ~~insurance is issued as a matter of information only and confers no rights upon the certificate-~~  
7 ~~holder. This certificate of insurance does not amend, extend, or alter the coverage, terms,~~  
8 ~~exclusions, or conditions afforded by the policies referenced in this certificate of insurance."~~

9 **Certificate of insurance limitations.**

10 A person may not alter or modify a certificate of insurance form approved by the  
11 commissioner; may not demand, require, or issue a certificate of insurance that contains any  
12 false or misleading information concerning the policy of insurance to which the certificate of  
13 insurance makes reference; and may not knowingly prepare or issue a certificate of insurance  
14 that purports to affirmatively or negatively alter, amend, or extend the coverage provided by the  
15 policy. A certificate of insurance may not contain a reference to a construction contract, service  
16 contract, or insurance requirement for the purpose of amending coverage afforded by the policy  
17 to which the certificate makes reference.

18 ~~— **Certificate of insurance warranty prohibition.**~~

19 ~~— A certificate of insurance may not warrant that the policies referenced in the certificate of~~  
20 ~~insurance comply with the insurance or indemnification requirements of a contract and the~~  
21 ~~inclusion of a contract number or description within a certificate of insurance may not be~~  
22 ~~interpreted as doing such.~~

23 **Notice requirements.**

24 AThe only circumstance under which a certificate holder is entitled to the legal right to  
25 notice of cancellation, nonrenewal, or any material change and to or any similar notice  
26 concerning a policy of insurance is if the certificate holder is named within the policy or any  
27 endorsement as an additional insured and the policy or endorsement requires notice to be  
28 provided has such notice rights under the terms of the policy or under any endorsement to the  
29 policy. The terms and conditions of the notice, including the required timing of the notice, are  
30 governed by the policy of insurance and may not be altered by a certificate of insurance.