

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Insurance Code is amended by adding Section 155.45 as follows:

(215 ILCS 5/155.45 new)

Sec. 155.45. Certificates of insurance.

(a) In this Section:

"Certificate of insurance" means a document prepared by an insurer or insurance producer as evidence of property or casualty insurance coverage. "Certificate of insurance" does not include a policy of insurance, an insurance binder, a policy endorsement, or a motor vehicle insurance identification or information card.

"Department" means the Department of Insurance.

"Director" means the Director of Insurance.

"Insurance producer" means a person required to be licensed under the laws of this State to sell, solicit, or negotiate insurance.

"Insurer" means a company, firm, partnership, association, order, society, or system making any kind or kinds of insurance and shall include associations operating as Lloyds, reciprocal or inter-insurers, or

individual underwriters.

"Person" means any individual, aggregation of individuals, trust, association, partnership, or corporation, or any affiliate thereof.

"Property or casualty insurance" means the kinds of insurance described in either or both Class 2 or Class 3 of Section 4 of this Code.

(b) This Section applies to a certificate of insurance that is issued in connection with a contract related to property, operations, or risks located in this State, regardless of the location of the policyholder, insurer, insurance producer, or person that requests or requires the issuance of the certificate of insurance.

(c) The use of a certificate of insurance form that is unfair, misleading, or deceptive or violates any law is an unfair and deceptive act or practice in the business of insurance under Article XXVI of this Code.

(d) A certificate of insurance may not amend, extend, or alter the coverage provided under, or confer to a person any rights in addition to the rights expressly provided in, the policy of property or casualty insurance to which the certificate of insurance refers.

(e) A person may not prepare, issue, request, or require the issuance of a certificate of insurance that:

(1) contains false or misleading information concerning the policy of property or casualty insurance to

which the certificate of insurance refers; or

(2) alters, amends, or extends the coverage provided by the policy of property or casualty insurance to which the certificate of insurance refers.

(f) A certificate of insurance may not contain a warranty that the policy of property or casualty insurance to which the certificate of insurance refers complies with the insurance or indemnification requirements of a contract. The inclusion of a contract number or contract description in a certificate of insurance does not warrant that the policy of property or casualty insurance to which the certificate of insurance refers complies with the insurance or indemnification requirements of the contract.

(g) A person is not entitled to notice of, cancellation of, nonrenewal of, or a material change in a policy of property or casualty insurance unless the person has notice rights under the terms of the policy of property or casualty insurance or an endorsement to the policy. The terms and conditions of notice described in this subsection (g) are governed by the policy of property or casualty insurance or an endorsement to the policy and are not altered by a certificate of insurance.

(h) A certificate of insurance or any other document that is prepared, issued, requested, or required in violation of this Section is void.

(i) The Director may refer a matter to the Department of Financial and Professional Regulation for review pursuant to

the rules of that department if the Director has reason to believe that a certificate of insurance form as described in subsection (c) of this Section has been provided by a financial institution.

(j) The Director may examine and investigate the activities of a person that the Director reasonably believes has violated the provisions of this Section. The Director shall have the power to enforce the provisions of this Section and impose any authorized penalty or remedy as provided under Section 401 of this Code upon any person who violates the provisions of this Section.

(k) The Department may adopt rules to implement the provisions of this Section.