

1 AN ACT concerning regulation.

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

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

6 (215 ILCS 5/155.45 new)

7 Sec. 155.45. Certificates of insurance.

8 (a) In this Section:

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

15 "Department" means the Department of Insurance.

16 "Director" means the Director of Insurance.

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

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

1 individual underwriters.

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

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

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

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

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

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

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

1 which the certificate of insurance refers; or

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

5 (f) A certificate of insurance may not contain a warranty
6 that the policy of property or casualty insurance to which the
7 certificate of insurance refers complies with the insurance or
8 indemnification requirements of a contract. The inclusion of a
9 contract number or contract description in a certificate of
10 insurance does not warrant that the policy of property or
11 casualty insurance to which the certificate of insurance refers
12 complies with the insurance or indemnification requirements of
13 the contract.

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

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

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

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

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

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