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Senate Bill 425 - Certificates of Insurance

Certificates of Insurance have been around for a long time. Hibbs-Hallmark & Company wants to keep you updated on changes in forms and the law.

The Texas Legislature passed and Governor Perry signed Senate Bill 425 to become effective January 1, 2012. This law will require all certificate of insurance forms to be filed with and approved by the Texas Department of Insurance before they can be used after the effective date of the law. In addition, the law codifies current Texas Department of Insurance rules that a certificate of insurance must not obscure or misrepresent the coverage provided by the insurance policies.

An insurance agency could incur significant penalties under those rules and the new law, including the revocation of the agency's insurance license, if a certificate were issued exactly as the certificate holder requested.

For this reason, agents may not be able to comply with some of the items requested by the certificate holder. Agents will explain the reasons to certificate holders and agents may need to offer to send a complete copy of the insured's policy to the certificate holder, subject to the insured's approval.

If your business is involved with certificates of insurance, please take a moment to take a look at the [overview information](#) provided on our website that discusses these important changes effective January 1, 2012.



- Requires all certificate of insurance forms be approved by the Texas Department of Insurance (TDI).
- Nationally standard ACORD, AAIS and ISO forms are deemed approved when filed with TDI.
- The department may charge a filing fee of not more than \$100 at the time the form is filed with TDI.
- In insurance company or an agent who attempts to alter or amend an approved certificate of insurance form for any reason will be subject to a civil penalty.
- Any person or entity who requires the issuance of a certificate on any form that has not been approved by TDI will be subject to a civil penalty.
- All forms must be approved or disapproved within 60 days of filing or will be deemed approved.
- The commissioner may examine and investigate any complaint or allegation of violations and to assess fines for violations.

For more information:

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