



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
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**BULLETIN**

TO: All Insurers Licensed to Write Property and Casualty Insurance  
FROM: Julie Mix McPeak, Commissioner *Julie Mix McPeak*  
RE: Certificates of Insurance  
DATE: March 21, 2012

The Insurance Division of the Department of Commerce and Insurance ("Division") has been informed by several interested parties that there may be a misunderstanding regarding the proper use of certificates of insurance<sup>1</sup>, and in some cases, of the intentional misuse of certificates. The purpose of this Bulletin is to clarify to insurers and insurance producers that certificates of insurance must be consistent with and conform to the terms of the underlying policy; the improper modification or fabrication of a certificate of insurance will be treated as an unfair trade practice by the Division.

The Unfair Trade Practices and Unfair Claims Settlement Act of 2009 enumerates certain practices which are prohibited as unfair trade practices. Specifically, TCA § 56-8-104(1) defines as an unfair trade practice:

*Making, issuing, circulating, or causing to be made, issued or circulated, any estimate, illustration, circular or statement, sales presentation, omission or comparison that:*

*(A) Misrepresents the benefits, advantages, conditions or terms of any policy;*

The Division has become aware of instances wherein third parties are requesting of insurance producers that alterations be made to certificates of insurance that may be inconsistent with the terms of the underlying insurance policy. Any attempt to amend, expand, or alter the terms of an underlying insurance policy through the use of certificate of insurance will be considered a violation of the unfair trade practices act and could subject a producer's license to disciplinary action by the Division. A certificate or certificate of insurance does not modify or amend the referenced policy or confer any right under such policy upon the certificate holder.

Any questions about the intent of this Bulletin should be directed to the Insurance Division, 4th Floor, Davy Crockett Tower, 500 James Robertson Parkway, Nashville, Tennessee, 37243, and/or telephone number (615) 741-2176.

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<sup>1</sup> For purposes of this bulletin, the term "Certificate" or "Certificate of Insurance" means any document or instrument which is prepared or issued as a summary or statement of property or casualty insurance coverage.