

TEXAS SENATE BILL 425 – CERTIFICATES OF INSURANCE

The Texas Legislature passed and Governor Perry signed **Senate Bill 425** to become **effective January 1, 2012**.

This law will require 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 or wholesaler 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 incorrectly. After January 1, a certificate holder who requires an agent or policyholder to use an unapproved form or insert inappropriate language on a certificate may be sued by the Attorney General for injunctive relief or to recover a civil penalty of up to \$1,000 for each such requirement.

We would encourage you to seek out additional information on the changes the law will have on the issuance of Certificates of Insurance.

- If you are a member of the **Independent Insurances Agents of Texas** (IIAT) you may log in to their website and access the “**Certificates of Insurance Resource Page**”. www.iiat.org
- You can also check the **Texas Department of Insurance** website for additional information. www.tdi.texas.gov
- If you have questions related to specific Certificate situations you may contact your RPS Leicht Underwriter or Associate Underwriter who can address your specific questions.