



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

Bulletin 2010-2

To: All insurance agents and all insurance companies writing property and casualty insurance

From: Sandy Praeger, Commissioner of Insurance

Date: August 30, 2010

Re: K.S.A. 40-955(b) and Certificates of Insurance

Insurance agents may not issue certificates of insurance that are not filed and approved by the Insurance Department or which violate K.S.A. 40-955(b). Certificates that are authorized under federal law by the United States Department of Defense are exempt from this rule.

In 2007, K.S.A. 40-955(b) was enacted by the Kansas Legislature. It provides, in part:

“(b) Certificate of Insurance forms must be filed with the Commissioner of Insurance and approved prior to use. Notwithstanding the ‘large risk’ filing exemption in subsection (j), a certificate of insurance cannot be used to modify, alter or amend the insurance policy it describes. A certificate of insurance shall contain the following or similar language: A certificate of insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the policies listed thereon. An industry standard setting organization may be authorized by the Commissioner of Insurance to file certificates of insurance forms on behalf of authorized insurers.”

Because of legislative enactments and/or regulations, similar to K.S.A. 40-955(b), in a number of states the standard Accord certificate of Insurance form has been altered. The altered form, Accord 25 dated September of 2009, makes a number of changes, including a change to the provision related to notice of cancellation.

Previous versions of the standard accord certificate form provided that the issuing insurer would endeavor to mail written notice of cancellation to a certificate holder within a specific number of days. The number of days was typically left blank and filled out when the certificate was issued. This provision was in conflict with K.S.A. 40-955(b) because the notice to be provided, if any, to certificate holders had to be what was

specified in the insurance policy itself. The certificate cannot vary the terms of the policy.

The new Accord 25 provides, in part:

“Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.”

This text conforms with K.S.A. 40-955(b) and other similar enactments.

The Department has received a report that insureds and/or certificate holders have requested that insurance agents use older versions of the Standard Accord certificate or issue certificates providing for notice of cancellation within a specific number of days. It is further reported that some insureds are requesting agents to issue certificates prepared by the certificate holders that are neither filed nor in conformity with K.S.A. 40-955(b).

Insurance agents may not issue certificates of Insurance that are not filed and approved by the Insurance Department or which violate K.S.A. 40-955(b). Insurance agents should inform insureds and certificate holders that they can only provide certificates that are filed and comply with K.S.A. 40-955(b). If providing services under the jurisdiction of the United States Department of Defense (DOD), the agent should file the required DOD certificate of insurance form with the Department after it is completed.

If you have questions regarding this matter, you may contact Marty Hazen at 785-296-3405.