

**ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION**

CHAPTER 482-1-062

**GENERAL PROPERTY/CASUALTY BINDERS,
CERTIFICATES OF INSURANCE OR
INDEMNITY AGREEMENTS**

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482-1-062-.01 Authority. This chapter is adopted pursuant to Sections 27-2-17 and 27-14-8, et seq., Code of Alabama 1975.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-14-8, et seq.

History: New February 28, 1977, Effective March 10, 1977; Revised May 25, 2004, Effective June 5, 2004

482-1-062-.02 Purpose. The purpose of this chapter is intended to clarify and set out the basic responsibilities of producers and licensed insurers as to extension or restriction of property and casualty insurance coverages by use of a binder, certificate of insurance, indemnity agreement or any other type of instrument.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-14-8, et seq.

History: New February 28, 1977, Effective March 10, 1977; Revised May 25, 2004, Effective June 5, 2004

482-1-062-.03 Requirement.

(1) As used in this rule, a “certificate of insurance” is an instrument, however titled and in any format, which provides summary information about an insurance policy or evidence of the existence of insurance coverage in specified amounts and with specified terms, conditions, and limitations.

(2) Certificate forms shall not be filed with the Commissioner. A person shall not represent or imply that a certificate form has been approved or required by the Commissioner or the Department.

(3) No person may prepare, issue request, or require a certificate of insurance which purports to affirmatively or negatively amend, extend or alter the coverage provided by an insurer’s approved policy forms and endorsements.

(4) Each certificate or memorandum of property or casualty insurance when issued to any person other than the policyholder shall contain the following or similar statement: "This certificate or memorandum of insurance neither affirmatively nor negatively amends, extends, or alters the coverage afforded by policy number _____ issued by _____."

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(5) No certificate of insurance shall contain references to construction or service contracts or insurance requirements for the purpose of amending coverage afforded by the policies to which the certificate makes reference. No certificate of insurance may be used to amend, extend, restrict or alter coverage afforded by the policies to which the certificate of insurance makes reference.

(6) No licensed insurer or its producer licensed to do business in Alabama shall have the authority to issue an “Agent’s Opinion Letter” or any other correspondence purporting an insurance policy provides coverages which the policy does not provide.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-14-8, et seq.

History: New February 28, 1977, Effective March 10, 1977; Revised May 25, 2004, Effective June 5, 2004; Revised August 6, 2014, Effective August 16, 2014

482-1-062-.04 Severability. If any provision of this chapter, or its application to any person or circumstance, is held invalid, such determination shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to that end the provisions of this chapter are separable.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-14-8, et seq.

History: New February 28, 1977, Effective March 10, 1977; Revised May 25, 2004, Effective June 5, 2004

482-1-062-.05 Effective Date. This chapter shall become effective upon its approval by the Commissioner of Insurance and upon its having been on file as a public document in the office of the Secretary of State for ten days.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-14-8, et seq.

History: New February 28, 1977, Effective March 10, 1977; Revised May 25, 2004, Effective June 5, 2004