

INSURANCE CODE

TITLE 10. PROPERTY AND CASUALTY INSURANCE

SUBTITLE A. GENERAL PROVISIONS

CHAPTER 1811. CERTIFICATES OF PROPERTY AND CASUALTY INSURANCE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1811.001. DEFINITIONS. In this chapter:

(1) "Agent" means a person required to hold a license as a property and casualty agent or surplus lines agent.

(2) "Certificate holder" means a person, other than a policyholder:

(A) who is designated on a certificate of insurance as a certificate holder; or

(B) to whom a certificate of insurance has been issued by an insurer or agent at the request of the policyholder.

(3) "Certificate of insurance" means a document, instrument, or record, including an electronic record, no matter how titled or described, that is executed by an insurer or agent and issued to a third person not a party to the subject insurance contract, as a statement or summary of property or casualty insurance coverage. The term does not include an insurance binder or policy form.

(4) "Electronic record" has the meaning assigned by Section [322.002](#), Business & Commerce Code.

(5) "Insurance" means an insurance contract for property or casualty insurance.

(6) "Insurer" means a company or insurance carrier that is engaged in the business of making property or casualty insurance contracts. The term includes:

- (A) a stock fire or casualty insurance company;
- (B) a mutual fire or casualty insurance company;
- (C) a Mexican casualty insurance company;
- (D) a Lloyd's plan;
- (E) a reciprocal or interinsurance exchange;
- (F) a county mutual insurance company;
- (G) a farm mutual insurance company;

- (H) a risk retention group;
- (I) the Medical Liability Insurance Joint Underwriting Association under Chapter [2203](#);
- (J) the Texas Windstorm Insurance Association under Chapter [2210](#);
- (K) the FAIR Plan Association under Chapter [2211](#);
- (L) an eligible surplus lines insurer; and
- (M) any other insurer authorized to write property or casualty insurance in this state.

(7) "Lender" has the meaning assigned by Section [549.001](#).

(8) "Person" means:

- (A) an individual; or
- (B) a partnership, corporation, limited liability company, association, trust, or other legal entity, including an insurer or a political subdivision or agency of this state.

(9) "Policyholder" means a person who has contracted with a property or casualty insurer for insurance coverage.

(10) "Record" has the meaning assigned by Section [322.002](#), Business & Commerce Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. [425](#)), Sec. 1, eff. September 1, 2011.

Sec. 1811.002. APPLICABILITY. (a) This chapter applies to a certificate holder, policyholder, insurer, or agent with regard to a certificate of insurance issued on property or casualty operations or a risk located in this state, regardless of where the certificate holder, policyholder, insurer, or agent is located.

(b) This chapter may not be construed to apply to:

(1) a statement, summary, or evidence of property insurance required by a lender in a lending transaction involving:

- (A) a mortgage;
- (B) a lien;
- (C) a deed of trust; or
- (D) any other security interest in real or personal property as security for a loan;

(2) a certificate issued under:

(A) a group or individual policy for:

(i) life insurance;

(ii) credit insurance;

(iii) accident and health insurance;

(iv) long-term care benefit insurance; or

(v) Medicare supplement insurance; or

(B) an annuity contract; or

(3) standard proof of motor vehicle liability insurance under Section 601.081, Transportation Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.003. RULES. The commissioner may adopt rules as necessary or proper to accomplish the purposes of this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.004. FILING FEE. (a) The department may collect a fee in an amount determined by the commissioner for the filing of a new or amended certificate of insurance form under this chapter.

(b) The fee may not exceed \$100.

(c) A fee collected under this section shall be deposited to the credit of the Texas Department of Insurance operating account.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

SUBCHAPTER B. PROHIBITED ACTS AND PRACTICES

Sec. 1811.051. ALTERING, AMENDING, OR EXTENDING THE TERMS OF AN INSURANCE POLICY; CONTRACTUAL RIGHTS OF CERTIFICATE HOLDER.

(a) A property or casualty insurer or agent may not issue a certificate of insurance or any other type of document purporting to be a certificate of insurance if the certificate or document alters, amends, or extends the coverage or terms and conditions provided by the insurance policy referenced on the certificate or document.

(b) A certificate of insurance or any other type of document may not convey a contractual right to a certificate holder.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.052. USE OF APPROVED CERTIFICATE OF INSURANCE FORMS. (a) An insurer or an agent may not issue a certificate of insurance unless the form of the certificate:

(1) has been filed with and approved by the department under Section 1811.101; or

(2) is a standard form deemed approved by the department under Section 1811.103.

(b) A person may not execute, issue, or require the issuance of a certificate of insurance for risks located in this state, unless the certificate of insurance form has been filed with and approved by the department.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.053. ALTERATION OR MODIFICATION OF APPROVED CERTIFICATE OF INSURANCE FORMS. A person may not alter or modify a certificate of insurance form approved under Section 1811.101 unless the alteration or modification is approved by the department.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.054. ISSUANCE OF FALSE OR MISLEADING CERTIFICATE OF INSURANCE. A person may not require the issuance of a certificate of insurance from an insurer, agent, or policyholder that contains any false or misleading information concerning the policy of insurance to which the certificate refers.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.055. REQUEST FOR DOCUMENTS IN LIEU OF CERTIFICATE OF INSURANCE. A person may not require an agent or insurer, either

in addition to or in lieu of a certificate of insurance, to issue any other document or correspondence, instrument, or record, including an electronic record, that is inconsistent with this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.056. USE OF DISAPPROVED CERTIFICATE OF INSURANCE FORMS. A person who receives written notice under Section 1811.102 that a certificate of insurance form filed under this chapter has been disapproved by the commissioner shall immediately stop using the form.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

SUBCHAPTER C. CERTIFICATE OF INSURANCE FORMS

Sec. 1811.101. FILING AND APPROVAL OF FORMS. (a) Except as provided by Subsection (b), an insurer or agent may not deliver or issue for delivery in this state a certificate of insurance unless the certificate's form:

(1) has been filed with and approved by the commissioner; and

(2) contains the phrase "for information purposes only" or similar language.

(b) If a certificate of insurance form does not contain the language required by Subsection (a)(2), the commissioner may approve the form if the form states:

(1) that the certificate of insurance does not confer any rights or obligations other than the rights and obligations conveyed by the policy referenced on the form; and

(2) that the terms of the policy control over the terms of the certificate of insurance.

(c) A filed form is approved at the expiration of 60 days after the date the form is filed unless the commissioner by order approves or disapproves the form during the 60-day period beginning the date the form is filed. The commissioner's approval of a filed

form constitutes a waiver of any unexpired portion of the 60-day period.

(d) The commissioner may extend by not more than 10 days the 60-day period described by Subsection (c) during which the commissioner may approve or disapprove a form filed by an insurer or agent. The commissioner shall notify the insurer or agent of the extension before the expiration of the 60-day period.

(e) A filed form for which an extension has been granted under Subsection (d) is considered approved at the expiration of the extension period described by that subsection absent an earlier approval or disapproval of the form.

(f) A person may not use a form unless the form has been filed with and approved by the commissioner.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.102. DISAPPROVAL OF FORMS; WITHDRAWAL OF APPROVAL. (a) The commissioner shall disapprove a form filed under Section 1811.101 or withdraw approval of a form if the form:

(1) contains a provision or has a title or heading that is misleading, is deceptive, or violates public policy;

(2) violates any state law, including a rule adopted under this code;

(3) requires an agent to provide certification of insurance coverage that is not available in the line or type of insurance coverage referenced on the form; or

(4) directly or indirectly requires the commissioner to make a coverage determination under a policy of insurance or insurance transaction.

(b) The commissioner may not disapprove a form filed under Section 1811.101 or withdraw approval of a form based solely on the fact that the form contains language described by Section 1811.101(b).

(c) An order issued by the commissioner disapproving a form, or a notice of the commissioner's intention to withdraw approval of a form, must state the grounds for the disapproval or withdrawal of approval in sufficient detail to reasonably inform the person

filing the form of those grounds and the changes to the form necessary to obtain approval.

(d) An order disapproving a form or withdrawing approval of a form takes effect on the date prescribed by the commissioner in the order. An order withdrawing approval of a form may not become effective until the 30th day after the date of the order.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.103. STANDARD CERTIFICATE OF INSURANCE FORMS. A standard certificate of insurance form promulgated by the Association for Cooperative Operations Research and Development, the American Association of Insurance Services, or the Insurance Services Office (ISO) is deemed approved on the date the form is filed with the department. Notwithstanding this section, the commissioner may withdraw approval of a standard form under Section 1811.102.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.104. PUBLIC INSPECTION OF INFORMATION. A certificate of insurance form and any supporting information filed with the department under this subchapter is open to public inspection as of the date of the filing.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

SUBCHAPTER D. EFFECT OF APPROVAL OF CERTIFICATE OF INSURANCE FORM

Sec. 1811.151. CONFIRMATION OF POLICY ISSUANCE. A certificate of insurance form that has been approved by the commissioner and properly executed and issued by a property and casualty insurer or an agent constitutes a confirmation that the referenced insurance policy has been issued or that coverage has been bound. This section applies regardless of whether the face of the certificate includes the phrase "for information purposes only" or similar language.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.152. CERTIFICATE OF INSURANCE NOT POLICY OF INSURANCE. A certificate of insurance is not a policy of insurance and does not amend, extend, or alter the coverage afforded by the referenced insurance policy.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.153. RIGHTS CONFERRED BY CERTIFICATE OF INSURANCE. A certificate of insurance shall not confer to a certificate holder new or additional rights beyond what the referenced policy or any executed endorsement of insurance provides.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.154. REFERENCE TO OTHER CONTRACTS. A certificate of insurance may not contain a reference to a legal or insurance requirement contained in a contract other than the underlying contract of insurance, including a contract for construction or services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.155. NOTICE. (a) A person may have a legal right to notice of cancellation, nonrenewal, or material change or any similar notice concerning a policy of insurance only if:

(1) the person is named within the policy or an endorsement to the policy; and

(2) the policy or endorsement or a law, including a rule, of this state requires notice to be provided.

(b) A certificate of insurance may not alter the terms and conditions of the notice required by a policy of insurance or the law of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1,

eff. September 1, 2011.

Sec. 1811.156. CERTIFICATE OF INSURANCE ISSUED IN VIOLATION OF CHAPTER. A certificate of insurance that is executed, issued, or required and that is in violation of this chapter is void and has no effect.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

SUBCHAPTER E. ENFORCEMENT AND REMEDIES

Sec. 1811.201. POWERS OF COMMISSIONER. (a) If the commissioner has reason to believe that an insurer or agent has violated or is threatening to violate this chapter or a rule adopted under this chapter, the commissioner may:

- (1) issue a cease and desist order;
- (2) seek an injunction under Section 1811.203;
- (3) request that the attorney general recover a civil penalty under Section 1811.203;
- (4) impose sanctions on the insurer or agent as provided by Chapter 82; or
- (5) take any combination of those actions.

(b) This section does not prevent or limit any action by or remedy available to the commissioner under applicable law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.202. HEARING; NOTICE. (a) The commissioner may hold a hearing on whether to issue a cease and desist order under Section 1811.201 if the commissioner has reason to believe that:

- (1) an insurer or agent has violated or is threatening to violate this chapter or a rule adopted under this chapter; or
- (2) an insurer or agent has engaged in or is threatening to engage in an unfair act related to a certificate of insurance.

(b) The commissioner shall serve on the insurer or agent a statement of charges and a notice of hearing in the form provided by

Section 2001.052, Government Code.

(c) A hearing under this section is a contested case under Chapter 2001, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.203. CIVIL PENALTY; INJUNCTION. (a) A person, including an insurer or agent, who wilfully violates this chapter is subject to a civil penalty of not more than \$1,000 for each violation.

(b) The commissioner may request that the attorney general institute a civil suit in a district court in Travis County for injunctive relief to restrain a person, including an insurer or agent, from continuing a violation or threat of violation of Subchapter B. On application for injunctive relief and a finding that a person, including an insurer or agent, is violating or threatening to violate Subchapter B, the district court shall grant the injunctive relief and issue an injunction without bond.

(c) On request by the commissioner, the attorney general may institute and conduct a civil suit in the name of the state for injunctive relief, to recover a civil penalty, or for both injunctive relief and a civil penalty, as authorized under this subchapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. 425), Sec. 1, eff. September 1, 2011.

Sec. 1811.204. INVESTIGATION OF COMPLAINTS. (a) The commissioner may:

(1) investigate a complaint or allegation of specific violations by a person, including an insurer or agent, who has allegedly engaged in an act or practice prohibited by Subchapter B; and

(2) enforce the provisions of this chapter.

(b) If the commissioner has reason to believe that a person, including an insurer or agent, is performing an act in violation of Subchapter B, the person shall immediately provide to the commissioner, on written request of the commissioner, information

relating to that act.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1212 (S.B. [425](#)), Sec. 1,
eff. September 1, 2011.