



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
25 BEAVER STREET
NEW YORK, NEW YORK 10004

George E. Pataki
Governor

Howard Mills
Superintendent

The Office of General Counsel issued the following opinion on February 15, 2006, representing the position of the New York State Insurance Department.

Re: ACORD Agreement.

Question Presented:

Must an ACORD certificate contain the words "endeavor to provide 30 days written notice" in the notice cancellation section of the certificate?

Conclusion:

There is no statutory or regulatory requirement regarding language used on an ACORD Certificate of Insurance. However, such form may not amend, expand, or alter the terms of the policies represented on such form. Thus, if the policy does not contain a notice requirement then the ACORD Certificate should not include such a requirement.

Facts:

The inquirer is a benefit and compensation consulting company. The company uses ACORD certificates as evidence of insurance. Language included in the certificate regarding cancellation, contains the words "endeavor to provide 30 days written notice." The inquirer wants to know if these words are statutorily mandated.

Analysis:

An ACORD certificate of insurance is a commercially created document that is used by the

insurance industry to summarize information about a person or entity's insurance coverage. It is not a contract; it is not required by statute or regulation; and it is not required to be filed with the Department. Thus, there is no specific language that is required to be used on an ACORD certificate of insurance, provided that it contains information consistent with the terms of the insurance policies evidenced thereon.

As noted in Circular Letters No. 8 (1995) and No. 15 (1997), a certificate of insurance that does not amend, expand or otherwise alter the terms of the insurance policies noted on the certificate does not constitute a policy form that must be filed with the Superintendent of Insurance pursuant to Section 2307(b) of the New York Insurance Law. If the notice requirement in the ACORD certificate is not contained in the policy, the modified ACORD form is altering, expanding, or modifying the terms between an insured or additional insured and the insurer. With such a change in terms, a certificate of insurance would constitute a policy form that must be filed with the Superintendent pursuant to N.Y. Ins. Law § 2307(b) (McKinney 2000 & Supp. 2006).

We note that the ACORD form contains the following disclaimer:

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend, or alter the coverage afforded by the policies listed thereon.

To the extent that such form appears to obligate the insurer to provide notice of cancellation not required by the policy, the use of such forms by the licensee would be misleading. Accordingly, if the policies at issue do not contain such a notice requirement, then the ACORD Certificate should not include such a requirement.

For further information you may contact Principal Attorney Paul A. Zuckerman at the New York City Office.