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Deceptive, Incomplete, or Misrepresentative Certificates of Insurance (COI)

➔ In *Horn v. Transcon Freight Lines, Inc.*, (Liberty Insurance) 7 F3d 1305 (7th Cir. 1993), Liberty Insurance Company took the position that certificates of insurance are for informational purposes only. However, in this Case, the Court disagreed. In its ruling in favor of the Horn estate, the Court concluded that wording on the “certificate of insurance” (COI) was so misleading that the limitations on the scope of coverage in the policy could not be relied upon.ⁱ

➔ In *Cleveland Indians Baseball Co., L.P. v. New Hampshire Insurance Company*, 727 F.3d 633 (6th Cir. 2013). The Sixth Circuit Court of Appeals found that a holder of a certificate of insurance could bring forward a viable claim for negligence against the “insurance broker” who issued a certificate of insurance as evidence of coverage that was not actually contained within the policy. Thus, opening the door for additional insureds and certificate holders to recover monetary losses because of mistakes or misrepresentations (false statements) made by an insurance broker.ⁱⁱ

➔ In *T-Mobile USA Inc. v. Selective Ins. Co. of Am.*, 450 P.3d 150 (Wash. 2019). The Washington Supreme Court ruled that the “Authorized Insurance Agent’s” misrepresentations (false statements) on the certificate of insurance “**Binds**” (requires) the insurance company to extend coverage to the certificate holder (T-Mobile). **Note**, there were many other elements “unique” to this case that contributed to the court’s ruling such as the number of certificates issued, the number of years involved, the relationship and methods of communication between the parties etc.ⁱⁱⁱ

➔ *Progressive Paloverde Insurance Company v. Estate of Bobby Jenkins (BJ Trucking), Et Al*, Civil Action No.: 19-12840 SECTION: “J” (1) c/w 19-13010 SECTION: “J” (1) c/w 19-13011 SECTION: “J” (1) c/w 19-13082 SECTION: “J” (1) c/w 20-392 SECTION: “J” (1)m United States District Court Eastern District of Louisiana (February 18, 2021). Failure to read the certificate of insurance, voided coverage to the “additional insured”.^{iv}

➔ All states except for Alaska, Maine, South Carolina, and Vermont, and the District of Columbia have some form of regulations that apply to the issuing of certificates of insurance.^v

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ⁱ <https://www.independentagent.com/vu/Pages/featured-resources/certificates-public/certificates-court-cases.aspx>

ⁱⁱ Sixth circuit rules holder of insurance certificate may assert negligence claim against broker for failure to obtain correct coverage requested by named insured, <https://www.lexology.com/library/detail.aspx?g=b5b4a6b0-e620-4b17-ae73-0429b656f83c>

ⁱⁱⁱ 2 Washington Supreme Court Finds Agent’s Representations in Certificate of Insurance Bind Insurance Company Insured Coverage, Truab Lieberman, <https://www.truablieberman.com/perspectives/washington-supreme-court-finds-agents-representations-in-certificate-of-insurance-bind-insurance-company-to-additional-insured-coverage>.

^{iv} Failure to Read Certificate of Insurance Defeats Coverage for Additional Insured Status <https://www.linkedin.com/pulse/failure-read-certificate-defeats-coverage-additional-barry/>

^v <https://www.independentagent.com/vu/SiteAssets/Pages/featured-resources/certificates-public/COI-Laws-Regulations/COI-state-law.pdf>