Avoid the Consequences of Misrepresented Certificates of Insurance

Frankenmuth Insurance wants to remind our Agency Partners to use caution when issuing certificates of insurance to their customers. Whether intentional or unintentional, misrepresentation of a policy on a certificate of insurance can have serious consequences for the agent and agency.

The Michigan Association of Insurance Agents recently sent this same reminder to carriers, which included a copy of a bulletin from the Department of Insurance and Financial Code (DIFS). According to the DIFS, “A certificate of insurance should clearly and accurately describe the coverage provided by the underlying policy, as well as the terms and conditions of the policy.”

We know our Agency Partners have strong relationship with policyholders, and sometimes those policyholders or entities with which policyholders are affiliated make requests for certificates of insurance that could result in the amending, extending or altering of a policy. Doing so, however, could result in the suspension or revocation of a license, as well as other administrative penalties and fines from the State of Michigan.

Click here to view the complete statement from the DIFS, which could be used as a reference tool in situations where an altered certificate of insurance is requested.

If you have any questions about this issue, please feel free to contact your Field Manager or Underwriter. Together, let’s ensure we are following the required business practices to better serve our mutual customers.