



EXCESS LINE ASSOCIATION
OF NEW YORK

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Daniel F. Maher
Executive Director

November 25, 2014

The Honorable Andrew Cuomo
Office of the Governor
State Capitol
Albany, NY 12224

RE: A.9590 Morelle/S.6545-A Seward

Dear Governor Cuomo:

As Executive Director of the Excess Line Association of New York, a New York association of licensed insurance producers, I am writing to urge you to sign the referenced legislation into law.

Certificates of insurance are routinely issued by New York insurance producers for the purpose of establishing that they have placed coverage for their insured/customer and that the insurance remains in effect as of the date of the certificate. These certificates are generally issued to third parties with whom the insured/customer conducts business. Though the third party is a stranger to the insurance contract, they often demand that these certificates be amended to include terms or provisions regarding coverage that the insurance producer is not truly in a position to represent. The relative bargaining positions of the parties in these situations is that the business dealings with the insured are effectively stalled by the third party until the certificate contains the additional terms, which may be inconsistent with the actual insurance coverage provided. The insured is compelled to insist that the producer issue a certificate that is often not in agreement with the policy language.

The referenced legislation is intended to prevent third parties from demanding the issuance of a certificate that seeks more than proof that coverage was placed and in effect on the date of the certificate. Certain exceptions were added to this bill to address concerns previously raised by the Governor's office in similar legislation vetoed last year.

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A significant volume of unnecessary litigation has been generated over claims made by third parties that they did not obtain the coverage protection they expected by adding language to certificates of insurance. This bill, if signed into law, will curtail if not eliminate such litigation.

Sincerely,

A handwritten signature in black ink that reads "Daniel F. Maher". The signature is written in a cursive, flowing style.

Daniel F. Maher
Executive Director

cc: Mr. Niall O'Hegarty, Esq.
Mr. Matthew F. Guilbault, Esq.
Mr. David Isenberg
Mr. Gary Hollederer
Ms. Christine Rutigliano
Mr. Joseph Caliguiri

