

**304.10-080 Evidence of the insurance -- Changes -- Penalty.**

- (1) Upon placing a surplus lines coverage, the broker shall promptly issue and deliver to the insured evidence of the insurance consisting either of the policy as issued by the insurer, or, if such policy is not then available, the surplus lines broker's certificate. Such a certificate shall be executed by the broker and shall show the description and location of the subject of the insurance, coverage, conditions and term of the insurance, the premium and rate charged and taxes collected from the insured, and the name and address of the insured and insurer. If the direct risk is assumed by more than one (1) insurer, the certificate shall state the name and address and proportion of the entire direct risk assumed by each such insurer.
- (2) No broker shall issue any such certificate or any cover note or purport to insure or represent that insurance will be or has been granted by any unauthorized insurer, unless he has prior written authority from the insurer for the insurance or has received information from the insurer in the regular course of business that such insurance has been granted, or an insurance policy providing the insurance actually has been issued by the insurer and delivered to the insured.
- (3) If after the issuance and delivery of any such certificate there is any change as to the identity of the insurers, or the proportion of the direct risk assumed by an insurer as stated in the broker's original certificate, or in any other material respect as to the insurance evidenced by the certificate, the broker shall promptly issue and deliver to the insured a substitute certificate accurately showing the current status of the coverage and the insurers responsible thereunder.
- (4) If a policy issued by the insurer is not available upon placement of the insurance and the broker has issued and delivered his certificate as hereinabove provided upon request therefor by the insurer the broker shall as soon as reasonably possible procure from the insurer its policy evidencing such insurance and deliver such policy to the insured in replacement of the broker's certificate theretofore issued.
- (5) Any surplus lines broker who knowingly or negligently issues a false certificate of insurance, or who fails promptly to notify the insured of any material change with respect to such insurance by delivery to the insured of a substitute certificate as provided in subsection (3) of this section, shall upon conviction be subject to the penalty provided by Subtitle 99 of this chapter or to any greater applicable penalty otherwise provided by law.

**Effective:** June 18, 1970

**History:** Created 1970 Ky. Acts ch. 301, subtit. 10, sec. 8, effective June 18, 1970.