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**TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION**

Control 482 Department or Agency Department of Insurance

Rule No. Chapter 482-1-148

Rule Title: Title Insurance Agents

New       Amend       Repeal       Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in costs, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

\*\*\*\*\*


Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Ala. Code § 41-22-23 (1975).

\*\*\*\*\*

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it complies with all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer   
Jim L. Ridling  
Commissioner

Date: August 21, 2012

Alabama Department of Insurance

**NOTICE OF INTENDED ACTION**

**AGENCY NAME:** Alabama Department of Insurance

**RULE NO. & TITLE:** Chapter 482-1-148: Title Insurance Agents.

**INTENDED ACTION:** Adopt new chapter.

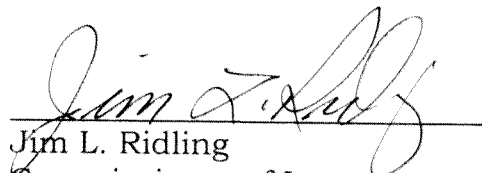
**SUBSTANCE OF PROPOSED ACTION:** The Commissioner of Insurance is proposing to adopt a new regulation which sets forth the rules and procedural requirements the Commissioner deems necessary to carry out the provisions of Chapter 25 of Ala. Code Tit. 27 relating to the licensing of title insurance agent licenses and appointments; the authorization of prelicensing course providers and approval of prelicensing courses; the various types of disciplinary action concerning licenses and grants of authority; the renewal of licenses of title insurance agents; and continuing education for title insurance agents; as necessitated by Act 2012-397.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** Interested persons may submit data, views, or arguments in writing at any time prior to the date stated below to the Alabama Department of Insurance, Attention: Legal Division, Post Office Box 303351, Montgomery, Alabama 36130-3351, or orally by appearing at the public hearing, Suite 502, RSA Tower, 201 Monroe Street, Montgomery, Alabama, beginning at 10:00 AM, Thursday, October 18, 2012.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:**

October 18, 2012

**CONTACT PERSON AT AGENCY:** Reyn Norman  
General Counsel

  
\_\_\_\_\_  
Jim L. Ridling  
Commissioner of Insurance

ALABAMA DEPARTMENT OF INSURANCE  
INSURANCE REGULATION

CHAPTER 482-1-148

TITLE INSURANCE AGENTS

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30

1    **482-1-148-.01    Purpose, Scope, and Authority.**

2           (1) The purposes of this chapter are as follows:

3           (a) To set forth rules and procedural requirements the Commissioner  
4    deems necessary to carry out the provisions of Chapter 25 of Ala. Code Tit.  
5    27, relating to the licensing of title insurance agents; the issuance of  
6    title insurance agent appointments; the authorization of prelicensing  
7    course providers and approval of prelicensing courses; and the various  
8    types of disciplinary action concerning licenses and grants of authority.

9           (b) To set forth the procedures for the renewal of licenses of title  
10   insurance agents, as is required by Ala. Code § 27-25-4.2 (2012).

11          (c) To implement the continuing education requirements for title  
12   insurance agents set forth in Ala. Code § 27-25-4.4 (2012).

13          (2) This chapter shall apply to individuals and business entities  
14   applying for and renewing a title insurance agent license, to persons  
15   authorized to provide prelicensing and continuing education courses for  
16   title insurance agents, and to all title insurance companies appointing  
17   title insurance agents.

18          (3) This chapter is adopted pursuant to Ala. Code §§ 27-25-4 and 27-  
19   25-8 (1975).

20   **Author:** Commissioner of Insurance

21   **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

22   **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

23   **482-1-148-.02    Definitions.** Unless the context otherwise requires, terms  
24   found in this chapter are used as defined in Ala. Code § 27-25-3 (1975).

1 Additionally, the following terms shall be defined for purposes of this  
2 chapter as follows:

3 (a) BUSINESS ENTITY. A domestic entity properly formed and existing  
4 under Ala. Code Tit. 10A (2011).

5 (b) INDIVIDUAL. A natural person.

6 (c) LICENSEE. A title insurance agent licensed in accordance with  
7 this chapter.

8 (d) NAIC. The National Association of Insurance Commissioners or its  
9 affiliates or subsidiaries, and any successor thereof.

10 (e) NIPR. The National Insurance Producer Registry.

11 (f) PERSON. An individual or business entity.

12 (g) PRELICENSING COURSE. A course of study approved by the  
13 Commissioner as satisfying the prelicensing education requirements of Ala.  
14 Code § 27-25-4.3 and offered through a prelicensing course provider  
15 authorized by the Commissioner to issue certificates of course completion.

16 (h) PRINCIPAL PLACE OF BUSINESS. The place from which a business  
17 entity's officers or other principals direct, control, and coordinate the  
18 entity's business activities.

19 **Author:** Commissioner of Insurance

20 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

21 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

1    **482-1-148-.03   Prelicensing Course.**

2           (1) An individual subject to the examination requirement set forth in  
3 Rule 482-1-148-.06 must complete a prelicensing course in order to take the  
4 title insurance agent examination.

5           (2) The prelicensing course must have been completed within twelve  
6 (12) months before the date of the examination.

7           (3) An individual is required to present a certificate of completion  
8 of the prelicensing course, together with photographic identification, as a  
9 condition for taking the title insurance agent examination.

10 **Author:** Commissioner of Insurance

11 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

12 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

13    **482-1-148-.04   Approval and Regulation of Prelicensing Course Providers.**

14           (1) A prelicensing course provider must be approved by the  
15 Commissioner to issue certificates of prelicensing course completion before  
16 offering or conducting prelicensing courses. Prelicensing courses offered  
17 through, and certificates of course completion issued by, unapproved  
18 providers will not be accepted as valid for purposes of this chapter.

19           (2) The application for approval will be on a form or in a format  
20 prescribed by the Department. Approval is valid for a calendar year,  
21 expiring on December 31 of that year. Beginning on or about October 1, an  
22 approved provider may request approval for the next succeeding calendar  
23 year in accordance with instructions provided by the Department. A  
24 provider must have applied for and obtained approval before offering or  
25 conducting courses in the next succeeding calendar year. The initial fee

1 for approval of a prelicensing provider is hereby set at \$75. The annual  
2 renewal fee for a prelicensing provider is hereby set at \$50.

3 (3) The provider shall furnish each individual successfully  
4 completing a prelicensing course a certificate of completion as provided by  
5 the department, signed by the prelicensing course instructor or provider,  
6 that contains the name of the prelicensing course provider, the student's  
7 full name, the line of authority covered by the course, the beginning date,  
8 the date of completion, and the number of course hours completed.

9 (4) Prelicensing course providers shall maintain for a minimum of  
10 three (3) years records that reflect each individual who has successfully  
11 completed a prelicensing course and make such records available for review  
12 by the Commissioner upon request.

13 (5) The Commissioner may audit any approved provider at any time. An  
14 audit may include, but is not limited to, a review of the attendance and  
15 curriculum records and observation of instructional sessions. The provider  
16 shall furnish such records, data, or information, or provide such other  
17 assistance, as the Commissioner may request incident to the audit.

18 (6) A prelicensing course provider may be placed on probation or its  
19 authority suspended or revoked for any of the following reasons:

20 (a) The provider offered or conducted prelicensing courses during a  
21 time when it was not approved to do so.

22 (b) The provider offered or conducted a prelicensing course not  
23 approved by the Commissioner.

1 (c) The provider issued certificates of completion during a time when  
2 it was not approved to do so or for prelicensing courses not approved by  
3 the Commissioner.

4 (d) The content of an approved prelicensing course was significantly  
5 changed without notice to and prior approval from the Commissioner.

6 (e) A certificate of completion was issued to a person who did not  
7 actually complete the course.

8 (f) A certificate of completion was not issued to a person who had  
9 actually completed the course.

10 (g) The provider's annual passing ratio for first time testers over  
11 the last year is less than 70% of the statewide passing ratio for first  
12 time testers.

13 (h) Within fifteen (15) days after the date of the Commissioner's  
14 written request (or within such time as the request may provide), the  
15 provider fails to respond or provide the records, data, or information  
16 requested.

17 (7) A decision to place a provider in probationary status may be made  
18 without a preceding hearing, but the provider will be allowed 30 days from  
19 the date of the notice of such action within which to appeal the action to  
20 the Commissioner. An alleged course of conduct or acts or omissions which  
21 the Department believes to justify suspension or revocation will be made in  
22 the form of an administrative complaint on which the provider may request a  
23 hearing before a decision is made. Administrative proceedings, including  
24 hearings, will be conducted in accordance with Regulation 482-1-065 to the  
25 extent applicable to the nature of the proceeding.



1 (8) A provider on probation is allowed to become or remain authorized  
2 and to renew an existing authority, as applicable, if the provider has  
3 complied or is complying with the conditions specified in the notice  
4 imposing the probation during the stated term of the probation. During the  
5 term of the probation, the provider remains subject to all applicable  
6 requirements of the Insurance Code and this Chapter. If so stated in the  
7 notice imposing the probation, failure to comply with the conditions set  
8 forth in the probation notice may result in the immediate suspension or  
9 revocation of the provider authority without further administrative  
10 proceedings.

11 (9) Reinstatement of approval of a prelicensing course provider after  
12 a suspension or revocation is at the sole discretion of the Commissioner  
13 and is conditioned upon the receipt of satisfactory proof that the  
14 conditions leading to the suspension or revocation have been corrected and  
15 the possibility of reoccurrence of the violation has been substantially  
16 mitigated or eliminated.

17 **Author:** Commissioner of Insurance

18 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

19 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

20 482-1-148-.05 Approval and content of prelicensing courses.

21 (1) Each prelicensing course must be approved by the Commissioner  
22 before the course is offered or conducted. Approval of a provider to issue  
23 certificates of course completion as provided in Rule 482-1-148-.04 is not  
24 approval of any particular prelicensing course offered or proposed to be  
25 offered by the provider. A certificate of course completion for an

1 unapproved course will not be accepted as valid for purposes of this  
2 chapter.

3 (2) Approved courses must consist of twenty (20) classroom hours or  
4 equivalent individual instruction.

5 (3) To request approval, the provider shall file with the  
6 Commissioner in a format prescribed by the Department all of the following:

7 (a) An outline of the proposed course, including instructional time  
8 for each course major component.

9 (b) A list of instructional materials used.

10 (c) The name or names of the instructors.

11 (d) The category or categories of license for which the course is  
12 intended to prepare applicants for licensing.

13 (e) Such additional or supplemental information as the Commissioner  
14 may request, including, but not limited to, further detail of the proposed  
15 course content or copies of any instructional materials to be used.

16 (4) The provider's submission must show that the subject matter of  
17 the prelicensing course pertains to title insurance, the course covers the  
18 general principles of title insurance, the duties and responsibilities of a  
19 title insurance agent, and the title insurance laws and regulations of this  
20 state, and the course addresses all of the following:

21 (a) Study and analysis of the fundamentals of title insurance.

22 (b) Study and analysis of various kinds of title insurance policies,  
23 endorsements, riders, and other title insurance policy contract documents.

1 (c) Study and analysis of the manner in which title insurance rates  
2 are established and implemented.

3 (d) Study and analysis of the basic title insurance licensing  
4 requirements set forth in the statutes and regulations of this state.

5 (e) Such additional material as the Commissioner may from time to  
6 time require by notice to course providers.

7 (5) Instructors must be knowledgeable of the title insurance industry  
8 and all aspects of the insurance law applicable to title insurance.

9 (6) The Commissioner may review any approved course at any time and  
10 may cancel approval of the course with regard to future offerings upon a  
11 finding that the course, as designed, structured, or conducted and/or its  
12 content and materials is not adequate for its stated purpose. Said review  
13 shall include, but not be limited to, the review of curriculum records,  
14 review of attendance records, student evaluation forms or reports, and  
15 observation of instructional sessions in progress.

16 **Author:** Commissioner of Insurance

17 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

18 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

19 **482-1-148-.06 Title Insurance Agent Examinations.**

20 (1)(a) Except as provided in paragraph (2), all individuals must  
21 successfully pass an examination prior to becoming licensed as a title  
22 insurance agent.

23 (b) An outline of the examination will be posted on the Department's  
24 Web site setting forth the number of questions on the examination from each  
25 test section and the time allowed within which to complete the examination.

1           (2) An individual is exempt from the examination requirement only as  
2 follows:

3           (a) If, on or before March 31, 2013, the individual can establish to  
4 the satisfaction of the commissioner that from January 1, 2008, to December  
5 31, 2012, the individual was an authorized signatory for title commitments,  
6 title insurance policies, and title insurance policy endorsements on behalf  
7 of a title insurer properly authorized to conduct the business of title  
8 insurance in this state.

9           (b) The individual was previously licensed as a title insurance agent  
10 in this state after having passed the examination or being exempt from the  
11 examination under paragraph (a), but only if the application is received  
12 within twelve (12) months of the cancellation of the individual's previous  
13 license and if, at the time of the cancellation, the individual was in good  
14 standing with this department.

15           (3) Examination Passing Grade.

16           (a) Prior to an examination, each question will be valued with the  
17 sum of the values equaling 100.

18           (b) After an examination, the value of each question answered  
19 correctly will be counted and the sum of the values totaling 70 or more  
20 shall constitute a passing grade.

21           (4) Limitations on Repeat Examinations.

22           (a) If an individual takes and fails to pass two examinations, the  
23 individual must wait a minimum of ninety (90) days after the last failure  
24 before the individual can again take the examination.

1 (b) If an individual thereafter fails the examination two additional  
2 times, the individual must wait a minimum of one hundred eighty (180) days  
3 after the last failure before each subsequent examination.

4 (c) The waiting periods described in paragraphs (a) and (b) expire  
5 twenty-four (24) months after the date of the last failed examination.

6 (5) An individual passing an examination will be furnished an  
7 examination results certificate by the examination administrator. This  
8 certificate must be kept by the individual and presented to Department of  
9 Insurance upon request.

10 (6) Examination results certificates are valid for one year from the  
11 date of issuance.

12 (7) An individual shall pay a non-refundable fee of \$75 for each  
13 examination scheduled.

14 **Author:** Commissioner of Insurance

15 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

16 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

17 **482-1-148-.07 Title Insurance Agent License.**

18 (1) All title insurance commitments, policies and endorsements issued  
19 by a title insurance agent and insuring an interest in real property  
20 situated in this state must be issued and signed by a duly licensed and  
21 appointed title insurance agent. The signature block shall contain the  
22 license number for the issuing agent and of the signing agent.

23 (2) Business Entity Agent. A business entity may be issued a title  
24 insurance agent license in accordance with the following:

1 (a) To be licensed as a title insurance agent, a business entity must  
2 be an Alabama entity properly formed and existing under Ala. Code Tit. 10A  
3 (2011), and must have its principal place of business physically located in  
4 this state. A sole proprietorship can only be licensed as an individual  
5 title agent. One or more individuals doing business under a trade name  
6 cannot obtain a business entity title agent license absent formal  
7 organization as an entity.

8 (b) The entity shall complete the Department's on-line licensing  
9 process to become licensed as a title insurance agent.

10 (c) The business entity license applicant must identify at least one  
11 licensed individual title insurance agent designated as responsible for the  
12 business entity's compliance with all applicable laws, rules and  
13 regulations, and designated to act as signatory on title insurance  
14 commitments, policies and endorsements issued by the business entity agent.  
15 The licensed individual title insurance agent so designated must have such  
16 a degree of affiliation with the entity in terms of an ownership interest  
17 in the entity, a role as an officer or director, employment relationship,  
18 or otherwise as reasonably assures that the licensed individual agent can  
19 cause or influence the entity's compliance with all applicable laws, rules,  
20 and regulations, including but not limited to the requirements set forth in  
21 paragraph (3) below.

22 (d) Business entity title insurance agents must be appointed to act  
23 on behalf of a title insurer and must be appointed by each title insurer it  
24 represents. A business entity is deemed to be representing or acting on  
25 behalf of a title insurer upon entering into an agency contract or  
26 agreement with the insurer. Each individual title insurance agent acting

1 on behalf of the business entity title agent must also be appointed to  
2 represent the insurer.

3 (3) Individual Agent. An individual may be issued a title insurance  
4 agent license in accordance with the following:

5 (a) The individual must be at least 19 years of age.

6 (b) The individual must be either:

7 1. An Alabama resident citizen.

8 2. A non-Alabama resident who is employed on a full-time basis by a  
9 duly licensed title insurance agent whose principal place of business is  
10 physically located in this state.

11 (c) The individual shall complete the Department's on-line licensing  
12 process to become licensed as a title insurance agent.

13 (d) Individual title insurance agents must be appointed to act on  
14 behalf of a title insurer and must be appointed by each insurer it  
15 represents.

16 (4) Unless exempt, an individual applicant must comply with the  
17 prelicensing education and examination requirements prior to making  
18 application for license as a title insurance agent.

19 (5) Instructions for the on-line licensing process, as it may change  
20 from time to time, will be provided on the Department's Web page.

21 (6) The initial fees for an individual title insurance agent license  
22 are set by statute and are listed on the Department's Web page.

23 (7) Subsequent changes in the name or address of a title agent must  
24 be reported within 30 days thereof. While there is no filing fee for

1 reporting such changes, there is a penalty of \$50 for the failure to report  
2 the changes within 30 days. Instructions for the name and address change  
3 process, as it may change from time to time, will be provided on the  
4 Department's Web page.

5 (8) (a) Individual and business entity title insurance agents are  
6 subject to the license renewal process set forth in Rule 482-1-148-.08.

7 (b) If a title insurance agent license is not renewed in accordance  
8 with Rule 482-1-148-.08, the license expires and all title insurer  
9 appointments are canceled.

10 (c) Within twelve months of expiration, the former licensee can  
11 reapply for a title insurance agent license without having to retake the  
12 prelicensing course or examination by following the instructions for the  
13 on-line license reinstatement process, as it may change from time to time,  
14 as directed on the Department's Web page. Upon receiving the reinstated  
15 license, the title agent may again be appointed by insurers by following  
16 the on-line appointment process.

17 (d) When former licensees have been without a license for over twelve  
18 months, they must comply with any applicable prelicensing course and  
19 examination requirements before again applying for a title insurance agent  
20 license.

21 (9) When a title insurance agent's license is suspended or revoked,  
22 the former licensee should contact the Legal Division of the Department to  
23 receive instructions should the former licensee desire to again become  
24 licensed.



1 **Author:** Commissioner of Insurance  
2 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)  
3 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

4 **482-1-148-.08 Renewal of Licenses.**

5 (1) All title insurance agents licensed in the State of Alabama are  
6 required to complete an application for license renewal with the Department  
7 according to the schedule set forth in this rule, which shall include the  
8 payment of the applicable fees, as set forth below:

9 (a) For individual licensees:

10 1. For renewals received on or before the license  
11 expiration date, the biennial license renewal fee as required by  
12 Section 27-25-4.7(a)(1)a.2. .... \$40.00

13 2. For renewals received during the first 30 days  
14 following the license expiration date, the biennial license  
15 renewal fee plus the \$50.00 late renewal fee set forth in 27-  
16 25-4.7(a)(1)d. .... \$90.00

17 3. For reinstatements received after the first 30 days  
18 following the license expiration date but within 12 months  
19 following the license expiration date, double the biennial  
20 license renewal fee required by Section 27-25-4.7(a)(1)d., as  
21 required in Section 27-25-4.1(d) .... \$80.00

22 (b) For business entity licensees:

23 1. For renewals received on or before the license  
24 expiration date, the biennial renewal license fee as required  
25 by Section 27-25-4.7(a)(1)b.2. .... \$100.00

1           2. For renewals received during the first 30 days  
2 following the license expiration date, the biennial license  
3 renewal fee plus the \$50.00 late renewal fee set forth in 27-  
4 25-4.7(a)(1)d. .... \$150.00

5           (2)(a)1. All individual licensees shall renew their license  
6 biennially based on their month and year of birth.

7           2. Licensees Born in Even-numbered Years. Beginning in the year  
8 2014, the license of an individual licensee born in an even-numbered year  
9 will expire if not renewed at the end of the licensee's birth month in 2014  
10 and every other year thereafter.

11           3. Licensees Born in Odd-numbered Years. Beginning in the year  
12 2015, the license of an individual licensee born in an odd-numbered year  
13 will expire if not renewed at the end of the licensee's birth month in 2015  
14 and every other year thereafter.

15           (b) Notice is hereby given that beginning approximately seventy-five  
16 (75) days prior to license expiration, individual licensees can access the  
17 Department's Web site for the purpose of completing their application for  
18 license renewal. An initial individual license shall not expire within the  
19 first seventy-five (75) days of its effective date.

20           (c) All individual licensees shall complete an application for  
21 license renewal on the Department's Web site by the license expiration  
22 date, to include payment of the applicable fee as set forth in paragraph  
23 (1).

24           (3)(a)1. Expiration of Business Entity Title Insurance Agent  
25 Licenses. All business entity title insurance agent licenses shall expire  
26 if not renewed on December 31 of 2014 and every other year thereafter.

1 (b) Notice is hereby given that beginning on October 1 next preceding  
2 license expiration, business entity licensees can access the Department's  
3 Web site for the purpose of completing their application for license  
4 renewal.

5 (c) All business entity licensees shall complete an application for  
6 license renewal on the Department's Web site prior to license expiration,  
7 to include payment of the applicable fee as set forth in paragraph (1).  
8 Any license not renewed by the license expiration date may still be renewed  
9 during the first 30 days following expiration, with reinstatement  
10 retroactive to the expiration date, by paying the applicable fee set forth  
11 in paragraph (1).

12 **Author:** Commissioner of Insurance

13 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

14 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

15 **482-1-148-.09 Continuing Education.**

16 (1)(a) Individual licensees shall satisfactorily complete such  
17 courses or programs of instruction as may be approved in accordance with  
18 this chapter in the minimum number of 24 classroom hours, 3 hours of which  
19 shall be on the topic of ethics, in order to be eligible to renew a title  
20 insurance agent license, except as otherwise indicated in this rule.

21 (b) Licensees Born in Even-numbered Years, Renewal in 2014. Along  
22 with the renewal of license due to be completed in accordance with  
23 paragraph (2) of Rule 482-1-148-.08 in the year 2014, every individual  
24 licensee born in an even-numbered year shall satisfactorily complete such  
25 courses or programs of instruction as may be approved in accordance with  
26 this chapter in the minimum number of 12 classroom hours, 2 hours of which

1 shall be on the topic of ethics. This represents a temporary, transitional  
2 reduction in the hours as authorized in Section 27-25-4.8(d) and is  
3 applicable only for the first renewals under the new law.

4 (c) Licensees Born in Odd-numbered Years, Renewal in 2015 and  
5 thereafter. Along with the renewal of license due to be completed in  
6 accordance with paragraph (2) of Rule 482-1-148-.08 in the year 2015 and in  
7 every other year thereafter, every individual licensee born in an odd-  
8 numbered year shall satisfactorily complete such courses or programs of  
9 instruction as may be approved in accordance with this chapter in the  
10 minimum number of 24 classroom hours, 3 hours of which shall be on the  
11 topic of ethics.

12 (d) Licensees Born in Even-numbered Years, Renewal in 2016 and  
13 thereafter. Along with the renewal of license due to be completed in  
14 accordance with paragraph (2) of Rule 482-1-148-.08 in the year 2016 and in  
15 every other year thereafter, every individual licensee born in an even-  
16 numbered year shall satisfactorily complete such courses or programs of  
17 instruction as may be approved in accordance with this chapter in the  
18 minimum number of 24 classroom hours, 3 hours of which shall be on the  
19 topic of ethics.

20 (2) A person teaching any approved course of instruction or lecturing  
21 at any approved seminar or program shall qualify for the same number of  
22 classroom hours as would be granted to a person taking and successfully  
23 completing such course, seminar or program.

24 (3) No title insurance agent may receive credit for any approved  
25 course more than once for any reporting period.

1 (4) For the purposes of this chapter, "classroom hour" shall mean a  
2 unit of at least fifty (50) minutes of participation in an approved course.  
3 This unit of measure shall apply to any classroom course, correspondence  
4 course, internet course, or other program or seminar of instruction  
5 approved by the Commissioner. Not more than ten (10) minutes of any sixty  
6 (60) minute period may be used for breaks, roll-taking, or administrative  
7 instructions. The total classroom hours, sometimes also referred to as  
8 "credit hours," for an approved course will be assigned by the Department  
9 in the course approval process.

10 (5) Title insurance agents who have been licensed for less than one  
11 full year prior to the license expiration date are not required to complete  
12 the continuing education requirements of this rule.

13 **Author:** Commissioner of Insurance

14 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

15 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

16 **482-1-148-.10 Continuing Education Providers.**

17 (1) The Commissioner shall approve and authorize providers of  
18 continuing education courses and programs, and will designate any such  
19 course as being acceptable for the purposes of this chapter. Each such  
20 authority holder must apply annually for the continued authority to offer  
21 continuing education courses in this state.

22 (2) The courses or programs of instruction successfully completed  
23 which shall be deemed to meet the Commissioner's standards for continuing  
24 educational requirements and the number of classroom hours for which they  
25 are equivalent are:

1 (a) Any course or program of instruction or seminar shall, subject to  
2 the approval of the Commissioner, qualify for the equivalency of the number  
3 of classroom hours assigned thereto by the Commissioner.

4 (b) Any correspondence or internet course approved by the  
5 Commissioner shall qualify for the equivalency of the number of classroom  
6 hours assigned thereto by the Commissioner. To be approved, a  
7 correspondence or internet course must include an appropriate testing  
8 instrument requiring a grade of 70 percent to successfully complete the  
9 course. The examination must be administered by a third party proctor, who  
10 must sign an affidavit attesting to the fact that the student received no  
11 outside assistance in the completion of the final examination. The proctor  
12 cannot be a friend, relative, or co-worker of the licensee, nor anyone with  
13 a financial interest in the success of the licensee taking the examination.

14 (3) The commissioner shall not approve a course under this chapter:

15 (a) That is designed as a prelicensing course required by Section 27-  
16 25-4.3(a).

17 (b) Which deals only with office skills.

18 (c) Which concerns sales promotion and sales techniques.

19 (d) Which deals with motivation, psychology or time management.

20 (4) Every authorized provider of continuing education courses in this  
21 state shall, in accordance with the online process approved by the  
22 Commissioner, file a record of all licensees successfully completing each  
23 course or program within ten (10) days of the date said course or program  
24 is completed. In the case of a correspondence or internet course, this

1 record shall be filed within ten (10) days of the date the provider assigns  
2 a grade to the final examination required in subparagraph (2)(b).

3 (5) At the time of filing its original application for authority as a  
4 continuing education course provider, each provider shall pay a filing fee  
5 of \$300.00. Each year thereafter, every provider shall pay a renewal fee  
6 for the continuation of the authority to offer continuing education courses  
7 in this state of \$100.00. This renewal fee shall be paid each year during  
8 the renewal period of November 1 to December 31. If the renewal  
9 application and fee are not received by December 31, the provider approval  
10 and all courses approved for that provider will expire.

11 (6) At the time of filing for course approval, providers shall pay a  
12 course approval filing fee of \$50.00 for each education course or program to  
13 be offered in this state. Once approved, no additional filing shall be  
14 required for a particular course or program unless the course materially  
15 changes. Please note that should the provider authority expire as indicated  
16 above, all courses approved for that provider will also expire. Should the  
17 provider again become authorized, all courses must be submitted for approval  
18 and the course approval fee indicated above must be paid for each such  
19 course.

20 **Author:** Commissioner of Insurance  
21 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)  
22 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

23 **482-1-148-.11 Appointments.**

24 (1) All title insurance agents, including individuals and business  
25 entities, must be appointed by any and all title insurers they represent.

1 (2) All appointments are handled on-line through NIPR.

2 (3) The notice of appointment shall be completed by the insurer  
3 within 15 days from the date the agency contract is executed or the first  
4 insurance application is submitted, whichever occurs first.

5 (4) Insurers may terminate an appointment at any time, subject to the  
6 appointee's contract rights, if any. If a licensee wishes to cancel an  
7 insurer appointment, the licensee should request the insurer to cancel the  
8 appointment. All appointment cancellations are handled on-line through  
9 NIPR.

10 (5) Insurers shall comply with the appointment continuation  
11 requirements set forth in Chapter 482-1-109.

12 (6) The fees associated with appointments are as follows:

13 (a) Notice of appointment fee, per agent per company, as  
14 required by Section 27-25-4.7(a)(2)a ..... \$30.00

15 (b) Annual continuation of appointment fee, per agent  
16 per company, as required by Section 27-25-4.7(a)(2)b ..... \$10.00

17 **Author:** Commissioner of Insurance

18 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

19 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

20 **482-1-148-.12 Compliance.**

21 (1)(a) Every title insurance agent subject to this chapter shall  
22 complete an application for license renewal in accordance with Rule 482-1-  
23 148-.08.



1 (b) The license of any individual or business entity title insurance  
2 agent failing to complete the application for license renewal within the  
3 time specified in paragraph (2) of Rule 482-1-148-.08 will expire but there  
4 is a 30-day grace period following the expiration during which time the  
5 licensee can renew with payment of the late fee plus the renewal fee. If  
6 the licensee shall complete the application for license renewal prior to  
7 the end of said 30-day grace period, along with the payment of the  
8 applicable fees, the license will not expire.

9 (2) Any licensee completing an application for license renewal in  
10 accordance with paragraph (1) above but failing to meet the educational  
11 requirements imposed by this chapter within the times set forth in this  
12 chapter will not be renewed until the licensee shall have complied with the  
13 educational requirements of this chapter.

14 (3) If the licensee has complied with the educational requirements of  
15 Rule 482-1-148-.10 and has otherwise complied with this chapter, the  
16 license will be renewed.

17 **Author:** Commissioner of Insurance  
18 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)  
19 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

20 **482-1-148-.13 Effect of Disciplinary Actions.**

21 (1) The willful violation of any material provision of this chapter  
22 may subject a licensee to an administrative proceeding.

23 (2) By means of a settlement agreement and consent order, or by order  
24 issued after other appropriate administrative proceedings, an applicant may  
25 be issued a license on a probationary basis or an existing licensee may be

1 placed on probation for a specified period of time or until certain  
2 specified conditions are complied with. A licensee on probation is allowed  
3 to become or remain licensed and to renew an existing license, as  
4 applicable, if the licensee has complied or is complying with the  
5 conditions specified in the settlement agreement, consent order, or other  
6 order imposing the probation during the stated term of the probation.  
7 During the term of the probation, the licensee remains subject to all  
8 applicable requirements of the Insurance Code, including, but not limited  
9 to, requirements concerning continuing education and license renewal. If  
10 so stated in the settlement agreement and consent order or in the order  
11 imposing the probation, failure to comply with the conditions set forth in  
12 the probation order may result in the immediate suspension or revocation of  
13 the license without further administrative proceedings.

14 (3) By means of a settlement agreement and consent order, or by order  
15 issued after other appropriate administrative proceedings, the license of a  
16 licensee may be suspended for either a specified period of time or until  
17 certain specified conditions are complied with subject to the following:

18 (a) During the term of the suspension, the licensee may not engage in  
19 any actions or activity for which the license is required, but remains  
20 subject to all applicable requirements of the Insurance Code, including,  
21 but not limited to, requirements concerning continuing education.

22 (b) A suspended license may not be renewed if the renewal date occurs  
23 during the suspension term.

24 (c) A suspension is lifted upon expiration of its term or, if based  
25 on compliance with specified conditions, by an order issued upon the  
26 licensee's showing that the conditions have been met or complied with, or

1 by an order issued after consideration of an application to lift the  
2 suspension has been submitted by the licensee. Upon lifting of the  
3 suspension, the license is deemed reinstated unless the license has expired  
4 or has otherwise terminated during the suspension term.

5 (d) If the license has expired or otherwise terminated during the  
6 suspension term less than twelve (12) months before the date on which the  
7 suspension is lifted, the licensee may immediately apply for a license  
8 without complying with any applicable prelicensing course and examination  
9 requirements but will be subject to any applicable continuing education  
10 requirements. If over twelve (12) months have elapsed between the  
11 expiration or other termination of the license and lifting of the  
12 suspension, the licensee must comply with any applicable prelicensing  
13 course and examination requirements prior to applying for the license.

14 (4) By means of a settlement agreement and consent order, or by order  
15 issued after other appropriate administrative proceedings, the license of a  
16 licensee may be revoked subject to the following:

17 (a) The Commissioner's acceptance of a "voluntary surrender" of a  
18 license in lieu of administrative proceedings to revoke the license is  
19 deemed a revocation for purposes of this section irrespective of whether  
20 the settlement agreement and consent order or other order, or information  
21 provided by the Department to the NAIC, characterizes the action as a  
22 "revocation."

23 (b) From and after the date of revocation, the licensee may not  
24 engage in any actions or activity for which the license is required.

1 (c) A person whose license has been revoked must apply to the  
2 Commissioner for permission to apply for any form of license issued through  
3 the Department. Such application cannot be made before expiration of the  
4 later to occur of two (2) years after the revocation date or such longer  
5 period as may be specified in the revocation order. The application may be  
6 in the form of a letter addressed to the Commissioner with such attachments  
7 as the applicant may deem appropriate. Whether to grant such permission is  
8 at the sole discretion of the Commissioner and is dependent upon the  
9 receipt of satisfactory proof that the applicant has complied with such  
10 conditions for seeking a license, if any, specified in the revocation  
11 order, the conditions which led to the revocation have been corrected, and  
12 the possibility of recurrence of the conditions has been substantially  
13 mitigated or eliminated and should no longer be used to prevent the  
14 reapplication for license.

15 (d) If satisfied that reasons for the revocation are no longer  
16 present and should not be used to prevent the applicant from again becoming  
17 licensed, the Commissioner shall issue an order authorizing the applicant  
18 to again apply for a license. The applicant must comply with any  
19 applicable prelicensing course and examination requirements as if the  
20 applicant is initially applying for a license prior to applying for the  
21 license.

22 **Author:** Commissioner of Insurance  
23 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)  
24 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013

25 482-1-148-.14 Transitory provisions.

26 (1) Replacement Licenses.

1 (a) In accordance with Section 27-25-4.8(b), each title insurance  
2 agent certificate of authority existing on December 31, 2012, will be  
3 renewed in accordance with Chapter 482-1-109, a replacement title insurance  
4 agent license will be issued to the agent and a title insurance agent  
5 appointment will be entered appointing the agent by the company. The  
6 replacement license will authorize the title insurance agent to continue to  
7 issue title insurance policies in the same manner as permitted in Section  
8 27-25-4 prior to the amendments by Act 12-397.

9 (b) The replacement license described in paragraph (a) is valid for  
10 up to six months, during which time the agent must apply for a new license.  
11 Upon issuance of a new title insurance agent license, the appointment will  
12 be transferred to the new license. The title insurer will not have to pay  
13 another appointment fee when the replacement license is swapped for the new  
14 license, but will pay for any new agents licensed under the new law.

15 (2) Fingerprinting.

16 (a) In accordance with Section 27-25-4.8(e), the Commissioner can  
17 delay enforcement of the fingerprinting requirement for up to 24 months  
18 following January 1, 2013, to allow for implementation.

19 (b) A separate regulation will be promulgated to provide the  
20 requirements and procedures for fingerprinting.

21 (3) Temporary Title Insurance Agent License.

22 (a) In accordance with Section 27-25-4.8(f), until such time as the  
23 title insurance agent examination is implemented, any individual qualified  
24 for a title insurance agent license except as to the prelicensing course

1 and examination requirements set forth in this Chapter, may be issued a  
2 temporary title insurance agent license.

3 (b) The individual will complete licensing process as set forth in  
4 Rule 482-1-148-.07, but will indicate the individual has not passed the  
5 examination.

6 (c) If approved, the temporary title insurance agent license will be  
7 valid for a period of time not to exceed three months following  
8 implementation of the title insurance agent examination.

9 (d) If necessary according to the renewal schedule set forth in Rule  
10 482-1-148-.08, a temporary title insurance agent license may be renewed  
11 once.

12 (e) Temporary title insurance agents will be provided advance notice  
13 of the examination implementation date.

14 **Author:** Commissioner of Insurance  
15 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)  
16 **History:** New \_\_\_\_\_, Effective \_\_\_\_\_

17 **482-1-148-.15 Severability and Effective Date.**

18 (1) If any rule or portion of a rule or its applicability to any  
19 person or circumstance is held invalid by a court, the remainder of this  
20 chapter or the applicability of the provision to other persons or  
21 circumstances shall not be affected.

22 (2) This chapter shall become effective January 1, 2013, upon its  
23 approval by the Commissioner of Insurance and upon its having been on file

1 with the Legislative Reference Service for 35 days, subject to review by  
2 the Joint Committee on Administrative Regulation Review.

3 **Author:** Commissioner of Insurance

4 **Statutory Authority:** Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

5 **History:** New \_\_\_\_\_, 2012, Effective January 1, 2013