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**TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION**

Control 482 Department or Agency Department of Insurance*

Rule No. Chapter 482-1-151

Rule Title: Independent Adjusters

New Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? N/A*

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

Is there another, less restrictive method of regulation available that could adequately protect the public? N/A*

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? N/A*

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*

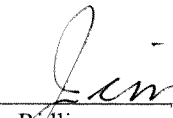
Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? N/A*

Does the proposed rule have an economic impact? N/A*

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 Ala. Code § 27-2-17 (1975), and that it complies with all applicable filing requirements of the Alabama Insurance Code.*

Signature of certifying officer 
Jim L. Rjdling
Commissioner of Ins

Date: August 21, 2012

*Note: The Alabama Department of Insurance is exempt Act pursuant to Ala. Code § 41-22-2(e) (1975).

Alabama Department of Insurance

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Department of Insurance

RULE NO. & TITLE: Chapter 482-1-151: Independent Adjusters.

INTENDED ACTION: Adopt new chapter.

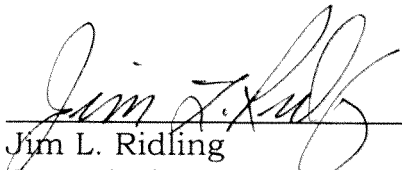
SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance is proposing to adopt a new regulation which sets forth the rules and procedural requirements the Commissioner deems necessary to carry out the provisions of Chapter 9A of Ala. Code Tit. 27 relating to the licensing of independent adjusters, apprentice independent adjusters, and emergency independent adjusters; 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 independent adjusters; and continuing education for independent adjusters; as necessitated by Act 2011-637.

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 482-1-151

INDEPENDENT ADJUSTERS

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1 **482-1-151-.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 9A, Ala. Code Tit.
5 27 (2011), relating to the licensing of independent adjusters, apprentice
6 independent adjusters, and emergency independent adjusters; the
7 authorization of prelicensing course providers and approval of prelicensing
8 courses; and the various types of disciplinary action concerning licenses
9 and grants of authority.

10 (b) To set forth the procedures for the renewal of licenses of
11 independent adjusters, as is required by Subsection (b) of Ala. Code § 27-
12 9A-7 (2011).

13 (c) To implement the continuing education requirements for
14 independent adjusters set forth in Ala. Code § 27-9A-13 (2011).

15 (2)(a) This chapter shall apply to individuals and business entities
16 applying for an independent adjuster license, to individuals applying for
17 an apprentice independent adjuster license, to individuals applying for an
18 emergency independent adjuster license, and to persons authorized to
19 provide prelicensing courses.

20 (b) As to the renewal of licenses, this chapter shall apply to every
21 individual or business entity licensed in this state as an independent
22 adjuster.

23 (c) In order to qualify for the renewal of their licenses, individual
24 licensees must also comply with the educational requirements set forth in
25 Rule 482-1-151-.11.

1 (d) Notwithstanding the provisions of paragraph (c), the educational
2 requirements set forth in Rule 482-1-151-.11 shall not apply to:

3 1. Any nonresident licensee who has met the continuing education
4 requirements in his or her designated home state and whose home state gives
5 credit to residents of Alabama on the same basis.

6 2. Independent adjusters who have been licensed for less than twelve
7 months prior to the license expiration date.

8 (3) This chapter is adopted pursuant to Ala. Code §§ 27-2-17 (1975)
9 and 27-9A-18 (2011).

10 **Author:** Commissioner of Insurance

11 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)

12 **History:** New _____, Effective _____

13 **482-1-151-.02 Definitions.** Unless the context otherwise requires, terms
14 found in this chapter are used as defined in Ala. Code § 27-9A-2 (2011).

15 The following terms are defined for purposes of this chapter:

16 (a) LICENSEE. An independent adjuster licensed in accordance with
17 this chapter.

18 (b) NAIC. The National Association of Insurance Commissioners or its
19 affiliates or subsidiaries.

20 (c) NIPR. The National Insurance Producer Registry.

21 (d) PRELICENSING COURSE. A course of study approved by the
22 Commissioner as satisfying the prelicensing education requirements of Ala.
23 Code § 27-9A-8(a) (2011) and offered through a prelicensing course provider
24 authorized by the Commissioner to issue certificates of course completion.

1 **Author:** Commissioner of Insurance
2 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)
3 **History:** New _____, Effective _____

4 **482-1-151-.03 Prelicensing Course.**

5 (1) Except as provided in paragraph (5), an individual subject to the
6 examination requirement set for in Rule 482-1-151-.06 must complete a
7 prelicensing course for each line of authority desired in order to take the
8 following independent adjuster examinations:

- 9 (a) Property and Casualty.
10 (b) Workers' compensation.
11 (c) Crop.

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

14 (3) Completion of a prelicensing course is not required in the
15 following instances:

16 (a) An individual licensed as an independent adjuster in another
17 state is exempt from completing a prelicensing course in order to apply for
18 an Alabama independent adjuster license with the same line(s) of authority
19 if, at the time of application, the individual's out-of-state license is
20 current or was cancelled within ninety (90) days before the application and
21 the individual is in good standing in that state or in the state's producer
22 database records as maintained by the NAIC.

23 (b) An individual currently licensed as an independent adjuster in
24 another state is exempt from completing a prelicensing course of study in
25 order to apply for a nonresident independent adjuster license in Alabama

1 with the same line(s) of authority if the individual is in good standing in
2 that state or in the state's producer database records as maintained by the
3 NAIC.

4 (4) An individual is required to present a certificate of completion
5 of the appropriate prelicensing course, together with photographic
6 identification, as a condition for taking an independent adjuster
7 examination.

8 **Author:** Commissioner of Insurance
9 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)
10 **History:** New _____, Effective _____

11 **482-1-151-.04 Prelicensing Course Providers.**

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

17 (2) The application for approval will be on a form or in a format
18 prescribed by the Department. Approval is valid for a calendar year,
19 expiring on December 31 of that year. Beginning on or about October 1, an
20 approved provider may request approval for the next succeeding calendar
21 year in accordance with instructions provided by the Department. A
22 provider must have applied for and obtained approval before offering or
23 conducting courses in the next succeeding calendar year. The initial fee
24 for approval of a prelicensing provider is hereby set at \$75. The annual
25 renewal fee for a prelicensing provider is hereby set at \$50.

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (8) A provider on probation is allowed to become or remain authorized
25 and to renew an existing authority, as applicable, if the provider has
26 complied or is complying with the conditions specified in the notice

1 imposing the probation during the stated term of the probation. During the
2 term of the probation, the provider remains subject to all applicable
3 requirements of the Insurance Code and this Chapter. If so stated in the
4 notice imposing the probation, failure to comply with the conditions set
5 forth in the probation notice may result in the immediate suspension or
6 revocation of the provider authority without further administrative
7 proceedings.

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

14 **Author:** Commissioner of Insurance
15 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)
16 **History:** New _____, Effective _____

17 **482-1-151-.05 Approval and content of prelicensing courses.**

18 (1) Each prelicensing course must be approved by the Commissioner
19 before the course is offered or conducted. Approval of a provider to issue
20 certificates of course completion as provided in Rule 482-1-151-.04 is not
21 approval of any particular prelicensing course offered or proposed to be
22 offered by the provider. A certificate of course completion for an
23 unapproved course will not be accepted as valid for purposes of this
24 chapter.

1 (2) Approved courses for each of the following lines of authority
2 must consist of twenty (20) classroom hours or equivalent individual
3 instruction:

4 (a) Property and Casualty.

5 (b) Workers' Compensation.

6 (c) Crop.

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

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

11 (b) A list of instructional materials used.

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

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

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

18 (4) The provider's submission must show that the subject matter of
19 the prelicensing course pertains to one or more of the lines of insurance
20 indicated in subsection (2), the course covers the general principles of
21 insurance for that line or lines of authority, and the course addresses all
22 of the following to the extent applicable to the subject line(s) of
23 insurance:

24 (a) Study and analysis of the fundamentals of insurance.

1 (b) Study and analysis of various kinds of policies, endorsements,
2 riders, and other policy contract documents.

3 (c) Study and analysis of various rating plans and systems.

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

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

8 (5) Instructors must be knowledgeable of the insurance industry and
9 all aspects of the insurance law applicable to the line(s) of authority
10 that are the subject of the instructor's course(s).

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

18 **Author:** Commissioner of Insurance

19 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)

20 **History:** New _____, Effective _____

21 **482-1-151-.06 Independent Adjuster Examinations.**

22 (1)(a) Except as provided in paragraph (3), all individuals must
23 successfully pass an examination prior to becoming licensed as an
24 independent adjuster for the following lines of authority:

25 1. Property and Casualty.

1 2. Workers' Compensation.

2 3. Crop.

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

7 (2) Unless otherwise exempt, an independent adjuster whose license
8 has expired or has otherwise been terminated and has not been in effect for
9 twelve (12) consecutive calendar months must successfully pass the
10 applicable examination(s), as required in paragraph (1), in order to again
11 become licensed.

12 (3) The examination requirements shall not apply as follows:

13 (a) An individual licensed as an independent adjuster in another
14 state based on an independent adjuster examination is exempt from
15 successfully passing an examination in order to apply for an Alabama
16 resident independent adjuster license with the same line(s) of authority
17 if, at the time of application, the individual's out-of-state license is
18 current or was cancelled within ninety (90) days before the application and
19 the individual is in good standing in that state or in the state's producer
20 database records as maintained by the NAIC.

21 (b) An individual currently licensed as an independent adjuster (or
22 its equivalent) in another state based on an independent adjuster
23 examination is exempt from successfully passing an examination in order to
24 apply for a nonresident independent adjuster license in Alabama with the
25 same line(s) of authority if the individual is in good standing in that

1 state or in the state's producer database records as maintained by the
2 NAIC.

3 (4) Examination Passing Grade.

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

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

9 (5) Limitations on Repeat Examinations.

10 (a) If an individual takes and fails to pass two examinations for a
11 particular line of authority, the individual must wait a minimum of ninety
12 (90) days after the last failure before the individual can again take the
13 examination for that line of authority.

14 (b) If an individual thereafter fails the examination two additional
15 times, the individual must wait a minimum of one hundred eighty (180) days
16 after the last failure before each subsequent examination for that line of
17 authority.

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

20 (6) An individual passing an examination will be furnished an
21 examination results certificate by the examination administrator. This
22 certificate must be kept by the individual and presented to Department of
23 Insurance upon request.

1 (7) Examination results certificates are valid for one year from the
2 date of issuance.

3 (8) An individual shall pay a non-refundable fee of \$75 for each
4 examination scheduled.

5 **Author:** Commissioner of Insurance

6 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)

7 **History:** New _____, Effective _____

8 482-1-151-.07 Independent adjuster License.

9 (1) Business Entity Independent Adjuster. A business entity may be
10 issued an independent adjuster license in accordance with the following:

11 (a) To be licensed as an independent adjuster, a business entity must
12 be a corporation, a limited liability company, a partnership, a limited
13 partnership, a limited liability partnership, or another legally recognized
14 form of entity distinct from an individual or the individuals or other
15 entities that may own or hold interests in, or be members of, the entity as
16 determined by the laws of the entity's state of domicile. A sole
17 proprietorship can only be licensed as an individual independent adjuster.
18 One or more individuals doing business under a trade name cannot obtain a
19 business entity independent adjuster license absent formal organization as
20 an entity.

21 (b) A business entity shall complete the Department's on-line
22 licensing process to become licensed as an independent adjuster for a
23 particular line or lines of insurance.

24 (c) Issuance of an Alabama business entity producer license to a
25 foreign-domiciled business entity does not in itself satisfy any applicable

1 Alabama constitutional and statutory requirements that may require the
2 entity to qualify through or register with the Alabama Secretary of State
3 in order to lawfully do business in Alabama.

4 (d) The business entity license applicant must identify at least one
5 licensed individual independent adjuster designated as responsible for the
6 business entity's compliance with all applicable laws, rules and
7 regulations for each line of authority. The licensed individual
8 independent adjuster(s) so designated must have such a degree of
9 affiliation with the entity in terms of an ownership interest in the
10 entity, a role as an officer or director, by contract or employment
11 relationship, or otherwise as reasonably assures that the licensed
12 individual independent adjuster can cause or influence the entity's
13 compliance with all applicable laws, rules, and regulations.

14 (2) Individual Independent Adjuster. An individual, whether an
15 Alabama resident or a nonresident, shall complete the Department's on-line
16 licensing process to become licensed as an independent adjuster for a
17 particular line or lines of authority.

18 (3) Unless exempt, an individual applicant must comply with the
19 prelicensing education and examination requirements prior to making
20 application for license as an independent adjuster.

21 (4) An individual or business entity may apply for an independent
22 adjuster license for any or all of the lines of authority for which
23 qualified at one time; however, subsequent applications for additional
24 lines of authority are treated the same as initial applications. All
25 license and application fees apply for each application submitted or
26 transmitted.

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

3 (6) The initial fees for an independent adjuster license are set by
4 statute as follows:

5 (a) Application fee, set in Section 27-4-2(a)(11)a. \$20.00

6 (b) For individual licensees, the license fee set in
7 Section 27-4-2(a)(11)b.1. \$80.00

8 (c) For business entity licensees, the license fee set in
9 Section 27-4-2(a)(11)b.2. \$200.00

10 (7) Subsequent changes in the name or address of an independent
11 adjuster must be reported within 30 days thereof. While there is no filing
12 fee for reporting such changes, there is a penalty of \$50 for the failure
13 to report the changes within 30 days. Instructions for the name and
14 address change process, as it may change from time to time, will be
15 provided on the Department's Web page.

16 (8)(a) Individual and business entity independent adjusters are
17 subject to the license renewal process set forth in Rule 482-1-151-.10.

18 (b) If an independent adjuster license is not renewed in accordance
19 with Rule 482-1-151-.10 the license expires.

20 (c) Within twelve months of expiration, the former licensee can
21 reapply for an independent adjuster license without having to retake the
22 prelicensing course or examination by following the instructions for the
23 on-line license reinstatement process, as it may change from time to time,
24 as directed on the Department's Web page.

1 (d) When former licensees have been without a license for over twelve
2 months, they must comply with any applicable prelicensing course and
3 examination requirements before again applying for an independent adjuster
4 license.

5 (9) When an independent adjuster's license is suspended or revoked,
6 the former licensee should contact the Legal Division of the Department to
7 receive instructions should the former licensee desire to again become
8 licensed.

9 **Author:** Commissioner of Insurance

10 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)

11 **History:** New _____, Effective _____

12 **482-1-151-.08 Apprentice Independent Adjuster License.**

13 (1) An individual otherwise qualified as an independent adjuster
14 except as to having taken and passed the written examination may apply for
15 an apprentice independent adjuster license, according to the requirements
16 set forth in this rule for one or more of the following lines of insurance:

17 (a) Property and Casualty.

18 (b) Workers' Compensation.

19 (c) Crop.

20 (2) The applicant must be actively engaged in a prelicensing course
21 for the line or lines of authority. Evidence of enrollment in a course by
22 an approved prelicense course provider will be required during the on-line
23 licensing process.

24 (3) The applicant must be under the supervision of a licensed
25 independent adjuster holding the same line or lines of authority. A

1 licensed independent adjuster may supervise no more than five apprentice
2 independent adjusters at one time.

3 (4) The applicant shall complete the Department's on-line licensing
4 process to become licensed as an apprentice independent adjuster producer
5 for a particular line or lines of insurance. Instructions for the on-line
6 licensing process, as they may change from time to time, will be provided
7 on the Department's Web page.

8 (5) The apprentice independent adjuster license is valid for a
9 maximum of twelve months, during which time the apprentice independent
10 adjuster licensee must complete the prelicensing education and examination
11 requirements to convert the license to a regular independent adjuster
12 license.

13 (6) The fees for an apprentice independent adjuster license are the
14 same as for an individual independent adjuster as set forth below:

15 (a) Application fee, set in Section 27-4-2(a)(11)a. \$20.00

16 (b) License fee, set in Section 27-4-2(a)(11)b.1. \$80.00

17 (7) An individual may only have one apprentice independent adjuster
18 license for any one or more lines of authority in a lifetime, regardless of
19 the length of time held.

20 (8) (a) Upon successful completion of the required independent
21 adjuster examination, an unexpired apprentice independent adjuster license
22 will be automatically converted to an individual independent adjuster
23 license for the same line of authority covered by the examination. No
24 additional fees are required at that time and the new individual
25 independent adjuster license will be considered to have been first issued

1 on the date of the conversion from the apprentice license for purposes of
2 determining renewal and continuing education requirements.

3 (b) If the apprentice independent adjuster license expires prior to
4 successful completion of the require examination, the individual must
5 complete the application process for individual independent adjuster
6 license to become licensed.

7 **Author:** Commissioner of Insurance
8 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)
9 **History:** New _____, Effective _____

10 **482-1-151-.09 Emergency Independent Adjuster License.**

11 (1) An individual may be registered as an Emergency Independent
12 Adjuster according to the requirements set forth in this rule.

13 (2) The insurer shall complete the Department's on-line emergency
14 independent adjuster registration process to register each emergency
15 independent adjuster deployed in this state. Instructions for the on-line
16 registration process, as they may change from time to time, will be
17 provided on the Department's Web page.

18 (3) Insurers shall submit a registration fee of \$50 for each
19 emergency independent adjuster deployed in this state.

20 **Author:** Commissioner of Insurance
21 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)
22 **History:** New _____, Effective _____

1 **482-1-151-.10 Renewal of Licenses.**

2 (1) All independent adjusters licensed in the State of Alabama are
3 required to complete an application for license renewal with the Department
4 according to the schedule set forth in this rule, which shall include the
5 payment of the applicable fees, as set forth below:

6 (a) For individual licensees:

7 1. For renewals received on or before the license
8 expiration date, the biennial license renewal fee as required by
9 Section 27-4-2(a)(11)b.1. \$80.00

10 2. For renewals received during the first 30 days
11 following the license expiration date, one and one-half times
12 the biennial license renewal fee required by Section 27-4-2, as
13 required in Section 27-9A-7(c) \$120.00

14 3. For renewals received after the first 30 days
15 following the license expiration date but within 12 months
16 following the license expiration date, double the biennial
17 license renewal fee required by Section 27-4-2, as required in
18 Section 27-9A-7(d) \$160.00

19 (b) For business entity licensees:

20 1. For renewals received on or before the license
21 expiration date, the biennial license renewal fee as required by
22 Section 27-4-2(a)(11)b.2. \$200.00

23 2. For renewals received during the first 30 days
24 following the license expiration date, one and one-half times

1 the biennial license renewal fee required by Section 27-4-2, as
2 required in Section 27-9A-7(c) \$300.00

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

5 2. Licensees Born in Odd-numbered Years. Beginning in the year
6 2013, the license of an individual licensee born in an odd-numbered year
7 will expire if not renewed at the end of the licensee's birth month in 2013
8 and every other year thereafter.

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

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

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

22 (3)(a)1. Expiration of Business Entity Independent Adjuster Licenses
23 in 2013 and Thereafter. Beginning in 2013, all business entity independent
24 adjuster licenses shall expire if not renewed on December 31 of 2013 and
25 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 §§ 27-2-17 (1975) & 27-9A-18 (2011)

14 **History:** New _____, Effective _____

15 **482-1-151-.11 Continuing Education.**

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

21 (2)(a) Licensees Born in Odd-numbered Years, Renewal in 2013.
22 Individual licensees born in odd-numbered years and licensed in this state
23 as independent adjusters are not required to complete any educational
24 requirements with the renewal of license due to be completed in accordance
25 with paragraph (2) of Rule 482-1-151-.10 in the year 2013.

1 (b) Licensees Born in Even-numbered Years, Renewal in 2014 and
2 thereafter. Along with the renewal of license due to be completed in
3 accordance with paragraph (2) of Rule 482-1-151-.10 in the year 2014 and in
4 every other year thereafter, every individual licensee born in an even-
5 numbered year and licensed in this state as an independent adjuster and not
6 exempt under subparagraph (2)(d) of Rule 482-1-151-.01 shall satisfactorily
7 complete such courses or programs of instruction as may be approved in
8 accordance with this chapter in the minimum number of 24 classroom hours, 3
9 hours of which shall be on the topic of independent adjuster ethics.

10 (c) Licensees Born in Odd-numbered Years, Renewal in 2015 and
11 thereafter. Along with the renewal of license due to be completed in
12 accordance with paragraph (2) of Rule 482-1-151-.10 in the year 2015 and in
13 every other year thereafter, every individual licensee born in an odd-
14 numbered year and licensed in this state as an independent adjuster and not
15 exempt under subparagraph (2)(d) of Rule 482-1-151-.01 shall satisfactorily
16 complete such courses or programs of instruction as may be approved in
17 accordance with this chapter in the minimum number of 24 classroom hours, 3
18 hours of which shall be on the topic of insurance independent adjuster
19 ethics or business practices.

20 (3) 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 (4) No independent adjuster may receive credit for any approved
25 course more than once in any reporting period.

1 (5) 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 (6) Independent adjusters also licensed as insurance producers need
11 only complete a total of 24 classroom hours in approved courses. Courses
12 approved for insurance producers will also count toward the education
13 requirement for independent adjusters.

14 **Author:** Commissioner of Insurance

15 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)

16 **History:** New _____, Effective _____

17 **482-1-151-.12 Continuing Education Providers.**

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

23 (2) The courses or programs of instruction successfully completed
24 which shall be deemed to meet the Commissioner's standards for continuing
25 educational requirements and the number of classroom hours for which they
26 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 to prepare an individual to receive an initial
16 license under Chapters 7 or 9A of the Insurance Code.

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 §§ 27-2-17 (1975) & 27-9A-18 (2011)

22 **History:** New _____, Effective _____

23 **482-1-151-.13 Compliance.**

24 (1)(a) Every independent adjuster subject to this chapter shall
25 complete an application for license renewal in accordance with Rule 482-1-
26 151-.10.

1 (b) The license of any individual or business entity independent
2 adjuster failing to complete the application for license renewal within the
3 time specified in paragraph (2) of Rule 482-1-151-.10 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 one and one-half times the renewal fee.
6 If the individual independent adjuster shall complete the application for
7 license renewal prior to the end of said 30-day grace period, along with
8 the payment of the 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 482-1-151-.11 and has otherwise complied with this chapter, the
16 license will be renewed.

17 **Author:** Commissioner of Insurance
18 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)
19 **History:** New _____, Effective _____

20 **482-1-151-.14 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. If over twelve (12) months have elapsed between the
10 expiration or other termination of the license and lifting of the
11 suspension, the licensee must comply with any applicable prelicensing
12 course and examination requirements prior to applying for the license.

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

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

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

24 (c) A person whose license has been revoked must apply to the
25 Commissioner for permission to apply for any form of license issued through

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

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

20 **Author:** Commissioner of Insurance
21 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)
22 **History:** New _____, Effective _____

23 **482-1-148-.15 Transitory provisions.**

24 (1) Fingerprinting.

1 (a) In accordance with Section 27-9A-18(b), the Commissioner can
2 delay enforcement of the fingerprinting requirement for up to 24 months
3 following January 1, 2012, to allow for implementation.

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

6 (2) Temporary Independent Adjuster License.

7 (a) In accordance with Section 27-9A-18(b), until such time as the
8 independent adjuster examination is implemented, any individual qualified
9 for an independent adjuster license except as to the prelicensing course
10 and examination requirements set forth in this Chapter, may be issued a
11 temporary independent adjuster license.

12 (b) The individual will complete licensing process as set forth in
13 Rule 482-1-151-.07, but will indicate the individual has not passed the
14 examination.

15 (c) If approved, the temporary independent adjuster license will be
16 valid for a period of time not to exceed three months following
17 implementation of the title insurance agent examination.

18 (d) If necessary according to the renewal schedule set forth in Rule
19 482-1-151-.10, a temporary independent adjuster license may be renewed
20 once.

21 (e) Temporary independent adjusters will be provided advance notice
22 of the examination implementation date.

1 **Author:** Commissioner of Insurance
2 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)
3 **History:** New _____, Effective _____

4 **482-1-151-.16 Severability and Effective Date.**

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

9 (2) This chapter shall become effective upon its approval by the
10 Commissioner of Insurance and upon its having been on file as a public
11 document in the office of the Secretary of State for ten days.

12 **Author:** Commissioner of Insurance
13 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-9A-18 (2011)
14 **History:** New _____, Effective _____