

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance\*

Rule No. Rule 482-1-111-.06

Rule Title: Licensing Procedures.

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 Section 41-22-23, Code of Alabama 1975.

\*\*\*\*\*

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Sections 27-2-17 and 27-7-43, Code of Alabama 1975, and that it complies with all applicable filing requirements of the Alabama Insurance Code.\*

Signature of certifying officer Jim L. Ridling  
Jim L. Ridling  
Commissioner of Insurance

Date: August 14, 2014

\*Note: *The Alabama Department of Insurance is exempt from the Alabama Administrative Procedures Act pursuant to Section 41-22-2(e), Code of Alabama 1975.*

**REC'D & FILED**  
**AUG 14 2014**  
**LEGISLATIVE REF SERVICE**

Alabama Department of Insurance

**NOTICE OF INTENDED ACTION**

**AGENCY NAME:** Alabama Department of Insurance

**RULE NO. & TITLE:** Rule 482-1-111-.06: Licensing Procedures.

**INTENDED ACTION:** Amend rule.

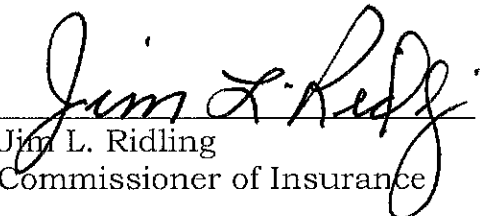
**SUBSTANCE OF PROPOSED ACTION:** The Commissioner of Insurance is proposing to make various minor changes to the rule by removing specific procedures and merely reference the general licensing and renewal rules.

**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, August 6, 2014.

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

October 16, 2014

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

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

1 **482-1-111-.06 Licensing Procedures.**

2 (1) Business Entities. To be licensed as a producer,  
3 ~~this paragraph shall apply to business entities as follows:~~  
4 shall comply with the requirements set forth in Chapter 482-1-  
5 147. To renew a producer license, business entities shall  
6 comply with the requirements set forth in Chapter 482-1-110.

7 ~~(a) Forms. An Alabama-domiciled business entity shall~~  
8 ~~complete Form AL-70 to become licensed as an insurance~~  
9 ~~producer for a particular line or lines of insurance. A~~  
10 ~~foreign-domiciled business entity may also use Form AL-70 or~~  
11 ~~may use the NAIC's Uniform Application for Business Entity~~  
12 ~~Non-Resident License/Registration or may use a copy of the~~  
13 ~~application that was submitted to the home state. There must~~  
14 ~~be at least one licensed individual producer designated as~~  
15 ~~responsible for the business entity's compliance with all~~  
16 ~~applicable laws, rules and regulations identified in the~~  
17 ~~application for the business entity to qualify for a insurance~~  
18 ~~producer license. The business entity shall also file a~~  
19 ~~certificate obtained from the Alabama Secretary of State~~  
20 ~~indicating it has complied with all applicable laws for doing~~  
21 ~~business in this state.~~

1       ~~(b) Renewal. On or about October 1 of each year the~~  
2 ~~business entity producer license renewal process begins~~  
3 ~~according to Chapter 482-1-110.~~

4       ~~(c) Fees. The fee for a business entity insurance~~  
5 ~~producer license is \$50 per year. Additionally, there is a~~  
6 ~~nonrefundable \$20 application fee due with each application~~  
7 ~~for business entity license. Subsequent changes in the name~~  
8 ~~or address of a business entity must be reported within 30~~  
9 ~~days thereof. While there is no filing fee for reporting such~~  
10 ~~changes, there is a fine of \$50 for the failure to timely~~  
11 ~~report the changes.~~

12       ~~(d) Appointments. Business entities may be appointed to~~  
13 ~~represent specific insurers in the same manner as individual~~  
14 ~~producers are appointed. As an alternative to appointing the~~  
15 ~~business entity, an insurer may appoint the individual~~  
16 ~~producers acting on behalf of the business entity producer.~~  
17 ~~There must be at least one individual producer appointed to~~  
18 ~~represent each and every insurer appointing a business entity.~~

19       (2) Individuals. To be licensed as a producer, this  
20 ~~paragraph shall apply to individuals as follows:~~ shall comply  
21 with the requirements set forth in Chapter 482-1-147. To

1 renew a producer license, individuals shall comply with the  
2 requirements set forth in Chapter 482-1-110.

3 ~~(a) Forms. An Alabama resident shall complete Form AL-1~~  
4 ~~to become licensed as an insurance producer for a particular~~  
5 ~~line or lines of insurance. A nonresident individual may also~~  
6 ~~use Form AL-1 or may use the NAIC's Uniform Application for~~  
7 ~~Individual Non-Resident License or may use a copy of the~~  
8 ~~application that was submitted to the home state. If the~~  
9 ~~license is to be limited to credit insurance, the individual~~  
10 ~~is exempt from the 40 hour pre-licensing course and~~  
11 ~~examination requirements.~~

12 ~~(b) Renewal. Individual producers must complete the~~  
13 ~~application for license renewal form on an annual basis in~~  
14 ~~accordance with Chapter 482-1-110. If the license is for~~  
15 ~~limited line credit insurance only, the producer is exempt~~  
16 ~~from the continuing education requirement.~~

17 ~~(c) Fees. The fee for an individual insurance producer~~  
18 ~~license is \$20 per year. Additionally, there is a~~  
19 ~~nonrefundable \$20 application fee due with each application~~  
20 ~~for individual license. Subsequent changes in the name or~~  
21 ~~address of a producer must be reported within 30 days thereof.~~

1 ~~While there is no filing fee for reporting such changes, there~~  
2 ~~is a fine of \$50 for the failure to timely report the changes.~~

3 ~~(d) Appointments. Individual insurance producers must be~~  
4 ~~appointed to act on behalf of an insurer.~~

5 (3) In accordance with Subsection (d) of Section 27-7-5,  
6 Code of Alabama 1975, each insurer must provide a program of  
7 instruction for each limited line credit insurance producer  
8 acting on its behalf.

9 **Author:** Commissioner of Insurance  
10 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17 & 27-7-  
11 43  
12 **History:** New April 19, 1995, Effective May 1, 1995; Revised  
13 February 28, 2000, Effective March 9, 2000; Revised September  
14 19, 2002, Effective September 29, 2002; Revised \_\_\_\_, 2014,  
15 Effective \_\_\_\_, 2014