

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance*

Rule No. Chapter 482-1-157

Rule Title: Criminal History Background Checks for Insurance Producers and 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 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

Alabama Department of Insurance

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Department of Insurance

RULE NO. & TITLE: Chapter 482-1-157: Criminal History
Background Checks for Insurance Producers
and Independent Adjusters.

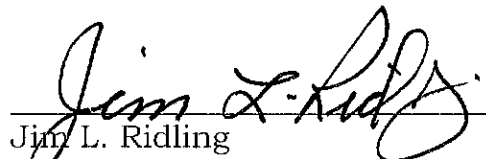
INTENDED ACTION: Adopt new chapter.

SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance is proposing to adopt a new chapter to set forth the details necessary to implement criminal history background checks for insurance producers and independent adjusters.

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

**ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION**

CHAPTER 482-1-157

**CRIMINAL HISTORY BACKGROUND CHECKS
FOR INSURANCE PRODUCERS AND
INDEPENDENT ADJUSTERS**

Table of Contents

		Page
16	482-1-157-.01 Purpose, Scope, and Authority.	2
17	482-1-157-.02 Definitions.	4
18	482-1-157-.03 Criminal History Background Checks.	5
19	482-1-157-.04 Severability and Effective Date.	5
20		

1 **482-1-157-.01 Purpose, Scope, and Authority.**

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

3 (a) To set forth rules the Commissioner deems necessary
4 to carry out the provisions of Ala. Code § 27-7-4.4 (2014),
5 relating to conducting a criminal history background check on
6 applicants for license as insurance producer.

7 (b) To set forth rules the Commissioner deems necessary
8 to carry out the provisions of Ala. Code § 27-9A-17 (2014),
9 relating to conducting a criminal history background check on
10 applicants for license as independent insurance adjuster.

11 (2) (a) This chapter shall apply to individuals applying
12 for an initial resident license as insurance producer or
13 independent insurance adjuster, to individuals applying for an
14 additional line of authority under an existing resident
15 license as insurance producer where a criminal history record
16 check has not been obtained, and to non-resident individuals
17 applying for an initial license as independent insurance
18 adjuster by designating Alabama as his or her home state.

19 (b) This chapter does not apply to limited lines
20 producers as defined in Section 27-7-1.

1 (c) This chapter does not apply to temporary insurance
2 producers licensed in accordance with Rule 482-1-147-.08;
3 however, an unexpired temporary producer license will not
4 automatically convert to an individual insurance producer
5 license pursuant to Rule 482-1-147-.08 unless and until the
6 individual has successfully completed the required insurance
7 producer examination and also complied with the requirements
8 of this chapter.

9 (d) This chapter does not apply to an emergency
10 independent adjuster licensed in accordance with Rule 482-1-
11 151-.09 or to an apprentice independent adjuster licensed in
12 accordance with Rule 482-1-151-.08; however, an unexpired
13 apprentice independent adjuster license will not automatically
14 convert to an individual independent adjuster license pursuant
15 to Rule 482-1-151-.08 unless and until the individual has
16 successfully completed the required independent adjuster
17 examination and also complied with the requirements of this
18 chapter.

19 (3) This chapter is adopted pursuant to Ala. Code §§
20 27-2-17, 27-7-4.4, and 27-9A-17 (1975).

21 Author: Commissioner of Insurance
22 Statutory Authority: Ala. Code §§ 27-2-17 (1975), 27-7-4.4 &

1 27-9A-17 (2014)
2 History: New _____, 2014, Effective January 1, 2015

3 **482-1-129-.02 Definitions.** The following definitions shall
4 apply in this chapter:

5 (1) APPLICABLE APPLICATION. Any of the following:

6 (a) An initial application for a resident license as
7 insurance producer for any major line of authority.

8 (b) An application for resident license as insurance
9 producer for an additional major line of authority where a
10 criminal history record check has not already been obtained.

11 (c) An application for resident license as an independent
12 insurance adjuster.

13 (d) An application for license as an independent
14 insurance adjuster by a non-resident who is designating
15 Alabama as his or her home state.

16 (2) MAJOR LINE OF AUTHORITY. The following lines of
17 authority as defined in Ala. Code § 27-7-14.1 (2013): Life;
18 Accident and Health or Sickness, commonly known as Disability;
19 Property; Casualty; Variable Life and Variable Annuity
20 Products; Personal Lines; and Bail Bond.

1 Author: Commissioner of Insurance
2 Statutory Authority: Code of Alabama 1975, §§ 27-2-17,
3 History: New _____, 2014, Effective January 1, 2015

4 **482-1-157-.03 Criminal History Background Check.**

5 (1) Any individual submitting an applicable application
6 for license shall be required to be fingerprinted by the
7 approved third party contractor designated by the Alabama
8 Department of Insurance, submit the required nonrefundable and
9 nontransferable fee, and authorize the Alabama Department of
10 Public Safety to conduct a criminal history background check
11 and allow the release of any criminal history information to
12 the Alabama Department of Insurance.

13 (2) Specific instructions for complying with this
14 requirement will be provided on the Department's Web page.

15 Author: Commissioner of Insurance
16 Statutory Authority: Code of Alabama 1975, §§ 27-2-17, 27-7-
17 4.4, and 27-9A-17
18 History: New _____, 2014, Effective January 1, 2015

19 **482-1-157-.04 Severability and Effective Date.**

20 (1) If any rule or portion of a rule or its applicability
21 to any person or circumstance is held invalid by any court,
22 the remainder of this chapter or the applicability of the

1 provision to other persons or circumstances shall not be
2 affected.

3 (2) This chapter shall become effective January 1, 2015,
4 upon its approval by the Commissioner of Insurance and upon
5 its having been on file as a public document in the office of
6 the Secretary of State for ten days.

7 Author: Commissioner of Insurance
8 Statutory Authority: Ala. Code §§ 27-2-17 (1975), 27-7-4.4 &
9 27-9A-17 (2014)
10 History: New _____, 2014, Effective January 1, 2015