

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance*

Rule No. Rule 482-1-109-.05

Rule Title: Continuation of Appointments of Producers and Service Representatives.

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*

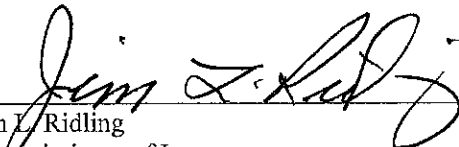
Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? N/A*

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
Commissioner of Insurance

Date: June 17, 2015

*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.*

Alabama Department of Insurance

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Department of Insurance

RULE NO. & TITLE: Rule 482-1-109-.05: Continuation of
Appointments of Producers and Services
Representatives.

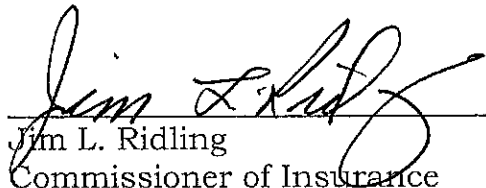
INTENDED ACTION: Amend rule.

SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance is proposing to make various changes to the rule which sets forth the procedures for the continuation of appointments of producers and service representatives. The changes adjust the renewal period and provide for late fees consistent with recent changes to Section 27-4-2, Code of Alabama 1975.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit data, views, or arguments in writing at any time prior to August 5, 2015, 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 12, 2015.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
August 5, 2015

CONTACT PERSON AT AGENCY: Reyn Norman
General Counsel



Jim L. Ridling
Commissioner of Insurance

1 **482-1-109-.05 Continuation of Appointments of Producers and**
2 **Service Representatives.**

3 (1) Insurers can access an alphabetical listing by
4 insurer of all producers and service representatives currently
5 appointed to represent each insurer in this state through the
6 National Insurance Producer Registry (NIPR).

7 (2) The Department will send to the designated contact
8 person for each insurer on or about October 1 of each year
9 detailed instructions as to the procedure to be followed
10 relative to the appointment continuation process of producers
11 and service representatives. These instructions will include
12 a reminder that insurers must submit to the Department a
13 notice of termination for all producer and service
14 representative appointments they do not wish to continue for
15 the next year by December 31 of each year.

16 (3) For each producer or service representative
17 appointment to be terminated, the insurer shall comply with
18 the Department's procedures regarding termination of
19 appointments, as said procedure may be hereafter altered or
20 amended.

21 (4) The Department will assume an insurer's failure to
22 submit a notice of termination prior to December 31 means the

1 insurer wishes to renew all producer and service
2 representative appointments shown on the Department's listing
3 for the insurer as of that date for the coming year. All
4 producer and service representative appointments not
5 terminated on or before December 31 shall be deemed continued
6 effective January 1.

7 (5) Any notice of appointment or termination submitted
8 after December 31 will be held by NIPR until January 12. The
9 license of any licensee failing to renew in accordance with
10 Chapter 482-1-110 will expire and be canceled prior to January
11 5 and all appointments then held will be canceled.

12 (6) On or about January 5 of each year, an invoice will
13 be prepared for each insurer by NIPR for the appointment fees
14 of all producers and service representatives deemed continued
15 as provided in this rule. This invoice will be made available
16 to insurers through NIPR on January 9 and shall be due in the
17 amount indicated ~~by February 15~~ until the end of February.

18 (7) It is the insurer's responsibility to pay the
19 appointment continuation invoice through NIPR prior to
20 ~~February 15~~ the end of February. Any appointment continuation
21 invoice not paid in full by March 1 will be subject to a late

1 fee of \$250, plus an additional \$250 on the first of each
2 month thereafter until paid in full.

3 (8) In accordance with Sections 27-3-21(a) and 27-2-
4 17(e), Code of Alabama 1975, the Commissioner has discretion
5 to suspend or revoke an insurer's certificate of authority for
6 willfully violating a material provision of a rule or
7 regulation. ~~All insurers~~ Any insurer failing to remit payment
8 of the invoice for appointment continuation fees provided
9 pursuant to this rule ~~prior to February 15~~ plus any applicable
10 late fee shall be subject to an order requiring the insurer to
11 show good cause as to why the certificate of authority for the
12 insurer should not be suspended for its failure to remit
13 payment of the invoice for appointment continuation fees ~~prior~~
14 ~~to February 15.~~

15 **Author:** Commissioner of Insurance

16 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-4-
17 2, 27-7-30 & 27-7-43

18 **History:** New August 1, 1994, Effective August 11, 1994; .
19 Revised September 23, 1996; effective October 3, 1996; Revised
20 July 22, 1999; effective August 1, 1999; Revised August 19,
21 2002, Effective August 29, 2002; Revised February 11, 2009,
22 Effective February 21, 2009; Revised _____, 2015, Effective
23 _____, 2015.