

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance*

Rule No. Rule 482-1-147-.06

Rule Title: Insurance Producer Examination.

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: 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 482-1-147-.06: Insurance Producer Examination.

INTENDED ACTION: Amend rule.

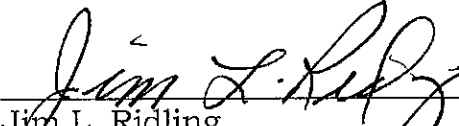
SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance is proposing to make various changes to the rule which sets forth the procedures for the insurance producer examinations. The amendments change the examination fees consistent with recent changes to Section 27-4-2, Code of Alabama 1975.

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 **482-1-147-.06 Insurance Producer Examination.**

2 (1)(a) Except as provided in paragraph (3), all
3 individuals must successfully pass an examination prior to
4 becoming licensed as an insurance producer for the following
5 lines of authority:

- 6 1. Life.
- 7 2. Health.
- 8 3. Property.
- 9 4. Casualty.
- 10 5. Personal Lines.
- 11 6. Bail Bonds.

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

16 (2) Unless otherwise exempt, an insurance producer whose
17 license has expired or has otherwise been terminated and has
18 not been in effect for twelve (12) consecutive calendar months
19 must successfully pass the applicable examination(s), as
20 required in paragraph (1), in order to again become licensed.

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

3 (a) All applicants for a license to transact only the
4 following lines of authority are exempt from the requirements
5 of this rule:

6 1. Variable Life and Variable Annuity Products.

7 2. Credit.

8 3. Rental Vehicle.

9 4. Crop.

10 5. Portable Electronics.

11 6. Travel.

12 7. Legal Services.

13 8. Dental Services.

14 9. Motor Club.

15 (b) An individual licensed as an insurance producer in
16 another state is exempt from successfully passing an
17 examination in order to apply for an Alabama producer license
18 with the same line(s) of authority if, at the time of
19 application, the individual's out-of-state license is current
20 or was cancelled within ninety (90) days before the

1 application and the individual is in good standing in that
2 state or in the state's producer database records as
3 maintained by the NAIC.

4 (c) An individual currently licensed as an insurance
5 producer (or its equivalent) in another state is exempt from
6 successfully passing an examination in order to apply for a
7 nonresident producer license in Alabama with the same line(s)
8 of authority if the individual is in good standing in that
9 state or in the state's producer database records as
10 maintained by the NAIC.

11 (4) Examination Passing Grade.

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

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

17 (5) Limitations on Repeat Examinations.

18 (a) If an individual takes and fails to pass two
19 examinations for a particular line of authority, the
20 individual must wait a minimum of ninety (90) days after the

1 last failure before the individual can again take the
2 examination for that line of authority.

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

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

10 (d) For purposes of applying the waiting periods in the
11 context of examinations on related lines of authority:

12 1. The waiting periods relating to the life examination
13 or the health examination apply to the combined life and
14 health examination.

15 2. The waiting periods relating to the combined life and
16 health examination apply to the life examination and to the
17 health examination.

18 3. The waiting periods relating to the property
19 examination apply to the industrial fire examination, the
20 personal lines examination, and the combined property and
21 casualty examination.

1 4. The waiting periods relating to the casualty
2 examination apply to the automobile examination, the personal
3 lines examination, and the combined property and casualty
4 examination.

5 5. The waiting periods relating to the combined property
6 and casualty examination apply to the industrial fire
7 examination, the personal lines examination, the property
8 examination, and the casualty examination.

9 6. The waiting periods for the personal lines
10 examination apply to the industrial fire examination, the
11 automobile examination, the personal lines examination, the
12 property examination, the casualty examination, and the
13 combined property and casualty examination.

14 (6) An individual passing an examination will be
15 furnished an examination results certificate by the
16 examination administrator. This certificate must be kept by
17 the individual and presented to Department of Insurance upon
18 request.

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

21 (8) An individual shall pay a non-refundable fee as
22 indicated below for each examination scheduled:

1	<u>1. Life</u>	<u>\$50.00</u>
2	<u>2. Health</u>	<u>\$50.00</u>
3	<u>3. Combined Life and Health</u>	<u>\$75.00</u>
4	<u>4. Property</u>	<u>\$50.00</u>
5	<u>5. Casualty</u>	<u>\$50.00</u>
6	<u>6. Combined Property and Casualty</u>	<u>\$75.00</u>
7	<u>7. Personal Lines</u>	<u>\$50.00</u>
8	<u>8. Bail Bonds</u>	<u>\$50.00</u>

9 **Author:** Commissioner of Insurance
10 **Statutory Authority:** Ala. Code §§ 27-2-17, 27-7-4.3, 27-7-5 &
11 27-7-43 (1975)
12 **History:** New October 18, 2012, effective January 1, 2013;
13 Revised _____, 2015, Effective _____, 2015.