

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance\*

Rule No. Rule 482-1-147-.10

Rule Title: Appointments.

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\*

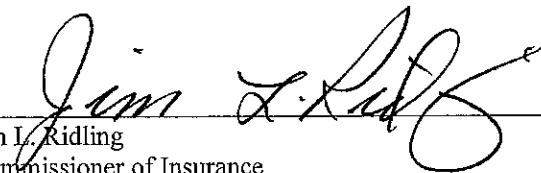
If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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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 482-1-147-.10: Appointments.

**INTENDED ACTION:** Amend rule.

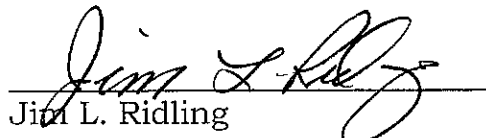
**SUBSTANCE OF PROPOSED ACTION:** The Commissioner of Insurance is proposing to amend the rule which sets forth the procedural requirements applicable to appointments for insurance producers and service representatives. The amendments change the fees consistent with recent changes to Section 27-4-2, 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-.10 Appointments.**

2 (1) Any producer, including individuals and business  
3 entities, acting on behalf of an insurer must be appointed by  
4 the insurer. All temporary producers and service  
5 representatives must be appointed by any and all insurers they  
6 represent.

7 (2) All appointments are handled on-line through NIPR.

8 (3) The notice of appointment shall be completed by the  
9 insurer within 15 days from the date the agency contract is  
10 executed or the first insurance application is submitted,  
11 whichever occurs first.

12 (4) Insurers may terminate an appointment at any time,  
13 subject to the appointee's contract rights, if any. If a  
14 licensee wishes to cancel an insurer appointment, the licensee  
15 should request the insurer to cancel the appointment. All  
16 appointment cancellations are handled on-line through NIPR.

17 (5) All insurers terminating an appointment for reason of  
18 "Request Regulator Review," "Company Indebtedness," or any  
19 other involuntary reason other than inadequate production,  
20 shall provide the Department with a statement of the facts  
21 relative to the termination and cause thereof, together with  
22 any documentation. Any such information provided to the

1 Department is privileged according to subsection (h) of Ala.  
2 Code § 27-7-30 (1975), and confidential according to Ala. Code  
3 § 27-7-30.3 (1975).

4 (6) Insurers shall comply with the appointment  
5 continuation requirements set forth in Chapter 482-1-109.

6 (7) The fees associated with initial appointments are as  
7 follows:

8 (a) The notice of appointment fee for producers is ~~30~~  
9 40 per insurer.

10 (b) The notice of appointment fee for temporary producers  
11 is ~~30~~ 40 plus the ~~40~~ 50 license fee and ~~20~~ 30  
12 application fee, for a total of ~~90~~ 120 to be paid by the  
13 insurer at the time of filing the notice of appointment.

14 (c) The notice of appointment fee for service  
15 representatives is ~~30~~ 40 plus a ~~20~~ 30 application fee, for  
16 a total of ~~50~~ 70 to be paid by the insurer at the time of  
17 filing the notice of appointment.

18 **Author:** Commissioner of Insurance  
19 **Statutory Authority:** Ala. Code §§ 27-2-17, 27-7-5, 27-7-23,  
20 27-7-24, 27-7-30 & 27-7-43 (1975)  
21 **History:** New October 18, 2012, effective January 1, 2013;  
22 Revised \_\_\_\_\_, 2015, Effective \_\_\_\_\_, 2015.