

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance*

Rule No. Rule 482-1-110-.03

Rule Title: Scope.

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: May 20, 2016

*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 482-1-110-.03: Scope.

INTENDED ACTION: Amend rule.

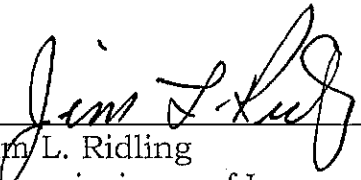
SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance is proposing to amend the rule which sets forth the scope of the regulation dealing with renewal of license and continuing education for producers and service representatives. The amendment sets forth the manner in which grandfathered exemptions are to be claimed. The amendment will become effective July 31, 2016.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit data, views, or arguments in writing at any time prior to July 14, 2016, 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, on July 21, 2016.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

July 14, 2016

CONTACT PERSON AT AGENCY: Reyn Norman
General Counsel



Jim L. Ridling
Commissioner of Insurance

1 482-1-110-.03 Scope.

2 (1) As to the renewal of licenses, this chapter shall
3 apply to every person licensed in this state as a producer or
4 service representative for any line of authority.

5 (2) In order to qualify for the renewal of their
6 licenses, producers and service representatives licensed for
7 the following lines of authority must comply with the
8 educational requirements set forth in Rule 482-1-110-.05:

9 (a) The life lines of authority, as defined in Ala. Code
10 § 27-7-1.

11 (b) The property lines of authority, as defined in Ala.
12 Code § 27-7-1.

13 (c) Bail Bonds.

14 (d) Any combination thereof.

15 (3) Notwithstanding the provisions of Paragraph (2), the
16 educational requirements set forth in Rule 482-1-110-.05 shall
17 not apply to:

18 (a) Any person exempt from licensing pursuant to
19 Subsection (b) of Ala. Code § 27-3-27 (1975).

20 (b) Any producer whose license is limited to acting only
21 as a producer for credit insurance, rental vehicle insurance,

1 crop, portable electronic, travel, motor club, dental
2 services, and legal services, or any combination thereof.

3 (c) Any nonresident producer or service representative
4 who must complete the continuing education requirements in his
5 or her state of residence. The home state's requirements may
6 be used to meet this state's continuing education requirements
7 if that state recognizes reciprocity with Alabama's continuing
8 education requirements. A non-resident whose home state does
9 not have a continuing education requirement or whose home
10 state does not recognize reciprocity with Alabama's continuing
11 education requirements, must meet the continuing education
12 requirements of this state.

13 (d) Newly licensed producers and service representatives
14 for 12 months following the effective date of their license.

15 (e) Any individual exempt from the educational
16 requirements of Ala. Code § 27-8A-1 immediately prior to
17 January 1, 2013, so long as the individual remains exempt
18 according to the law at that time, unless the license is
19 permitted to expire or is otherwise terminated and remains out
20 of effect for a period of 12 consecutive months, in which case
21 the exemption is no longer applicable. To maintain an
22 exemption from continuing education requirements, the

1 individual must submit a statement and dated evidence that the
2 exemption claimed applied prior to January 1, 2013, and
3 continues in effect at the time of license renewal. Any
4 change in the claimed exemption, such as loss of certification
5 or position shall result in loss of the claimed exemption for
6 subsequent renewal periods. Individuals may claim an
7 exemption if any of the following apply subject to the terms
8 outlined above:

9 1. Any person licensed only for limited lines insurance,
10 industrial fire, commonly known as debit fire, insurance, or
11 any combination thereof prior to January 1, 2013.

12 2. All producers and service representatives licensed in
13 this state for 15 years and at least 60 years of age or older
14 prior to January 1, 2013.

15 3. Any person who holds a designation as a Chartered
16 Property and Casualty Underwriter, Certified Insurance
17 Counselor, Chartered Life Underwriter, Chartered Financial
18 Consultant, Certified Financial Planner certificant,
19 Registered Health Underwriter, Registered Employee Benefits
20 Consultant, Certified Health Consultant, or Associate Risk
21 Manager prior to January 1, 2013.

1 4. Officers of insurers who are not engaged in the
2 active sale of products prior to January 1, 2013.

3 5. Persons who are active members of the Alabama
4 legislature during any portion of the biennial reporting
5 period prior to January 1, 2013.

6 **Author:** Commissioner of Insurance

7 **Statutory Authority:** Ala. Code §§ 27-2-17, 27-2-17.1, 27-7-43
8 & 27-8A-1, et seq. (1975)

9 **History:** New September 15, 1994, Effective October 1, 1994;
10 Revised September 23, 1996, Effective October 3, 1996; Revised
11 December 16, 1998, Effective January 1, 1999; Revised August
12 19, 2002, Effective August 29, 2002; Revised November 29,
13 2006, Effective December 9, 2006; Revised October 18, 2012,
14 Effective October 28, 2012; Revised _____, 2016, Effective
15 _____, 2016