

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance*

Rule No. Rule 482-1-110-.06

Rule Title: Education Provider Requirements.

New Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

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? Yes, 20%

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? No

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? Yes

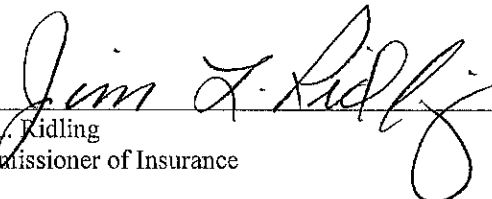
Does the proposed rule have an economic impact? Yes

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 I. Kidling
Commissioner of Insurance

Date: October 20, 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 482-1-110-.06: Education Provider Requirements.

INTENDED ACTION: Amend rule.

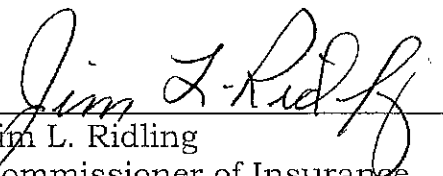
SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance is proposing to amend the rule which sets forth the fees paid by education providers in connection with continuing education for insurance producers and service representatives. The fees were initially set in 1996 in Section 27-8A-9, Code of Alabama 1975. The amendments adjust the fees according to changes in the Consumer Price Index over the last ten years as permitted by Alabama Act No. 2015-441. The proposed effective date of the amended rule is January 1, 2016.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit data, views, or arguments in writing at any time prior to December 1, 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 2:00 PM, December 8, 2015.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

December 4, 2015

CONTACT PERSON AT AGENCY: Reyn Norman
General Counsel



Jim L. Ridling
Commissioner of Insurance

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control 482 Department or Agency Department of Insurance

Rule No. Rule 482-1-110-.06

Rule Title: Education Provider Requirements.

New Amend Repeal Adopt by Reference

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

Registration and licensing fees are intended to defray the expense of regulating the licensees. Proposed changes are expected to more closely approximate the actual expense to the agency of regulating the licensees.

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

Registration and licensing fees are intended to defray the expense of regulating the licensees. Proposed changes are expected to more closely approximate the actual expense to the agency of regulating the licensees.

3. EFFECT OF THIS RULE ON COMPETITION:

Applicable to all authorized providers, thus should have no effect on competition.

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

Fees are increasing according to changes in the Consumer Price Index, limited to 2% per year for 10 years (a total of 20%), as authorized in Act 2015-441.

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

Should have no effect.

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

Initial applicants and annual renewal for registration as service contract provider and premium finance company.

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THIS RULE:

Increases the fees for continuing education providers by 20% as follows:

Initial fee increasing from \$300 to \$360

Annual renewal fee increasing from \$100 to \$120

Course approval fee increasing from \$50 to \$60

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

None known.

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

None.

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

None.

****Additional pages may be used if needed.**

1 **482-1-110-.06 Education Provider Requirements.**

2 (1) The Commissioner shall, with the advice of the
3 Continuing Education Advisory Committee, approve and authorize
4 providers of continuing education courses and programs, and
5 will designate any such course as being acceptable for the
6 purposes of this chapter. Each such authority holder must
7 apply annually for the continued authority to offer continuing
8 education courses in this state.

9 (2) The courses or programs of instruction successfully
10 completed which shall be deemed to meet the Commissioner's
11 standards for continuing educational requirements and the
12 number of classroom hours for which they are equivalent are:

13 (a) Any course or program of instruction or seminar
14 developed and/or sponsored by any school, college, university,
15 bona fide educational school, authorized insurer, recognized
16 state insurance producers association, or insurance trade
17 association shall, subject to the approval of the
18 Commissioner, qualify for the equivalency of the number of
19 classroom hours assigned thereto by the Commissioner.

20 (b) Any correspondence or internet course approved by the
21 Commissioner shall qualify for the equivalency of the number
22 of classroom hours assigned thereto by the Commissioner,

1 provided said course has been authorized, developed, or
2 sanctioned by a school, college, university, bona fide
3 educational school, authorized insurer, recognized state
4 insurance producers association or insurance trade
5 association. To be approved, a correspondence or internet
6 course must include an appropriate testing instrument
7 requiring a grade of 70 percent to successfully complete the
8 course. The examination must be administered by a third party
9 proctor, who must sign an affidavit attesting to the fact that
10 the student received no outside assistance in the completion
11 of the final examination. The proctor cannot be a friend,
12 relative, or co-worker of the licensee, nor anyone with a
13 financial interest in the success of the licensee taking the
14 examination.

15 (3) The commissioner shall not approve a course under
16 this chapter:

17 (a) That is designed to prepare an individual to receive
18 an initial license under Chapter 7 of the Insurance Code.

19 (b) Which deals only with office skills.

20 (c) Which concerns sales promotion and sales techniques.

21 (d) Which deals with motivation, psychology or time
22 management.

1 (e) Every authorized provider of continuing education
2 courses in this state shall, in the format approved by the
3 Commissioner, file a record of all licensees successfully
4 completing each course or program within ten (10) days of the
5 date said course or program is completed. In the case of a
6 correspondence or internet course, this record shall be filed
7 within ten (10) days of the date the provider assigns a grade
8 to the final examination required in subparagraph (2)(b).

9 (5) At the time of filing its original application for
10 authority as a continuing education course provider, each
11 provider shall pay a filing fee of ~~\$300.00~~ \$360.00. Each year
12 thereafter, every provider shall pay a renewal fee for the
13 continuation of the authority to offer continuing education
14 courses in this state of ~~\$100.00~~ \$120.00. This renewal fee
15 shall be paid each year during the renewal period of October 1
16 to December 31. If the renewal application and fee are not
17 received by December 31, the provider approval and all courses
18 approved for that provider will expire. Any fees paid by a
19 provider prior to April 23, 1996, the effective date of Act
20 96-343, for qualification to become a course provider shall be
21 applied as credits against the provider fees set forth in this
22 chapter.

1 (6) At the time of filing for course approval, providers
2 shall pay a course approval filing fee of ~~\$50.00~~ \$60.00 for each
3 education course or program to be offered in this state. Once
4 approved, no additional filing shall be required for a
5 particular course or program unless the course materially
6 changes. Please note that should the provider authority expire
7 as indicated above, all courses approved for that provider will
8 also expire. Should the provider again become authorized, all
9 courses must be submitted for approval and the course approval
10 fee indicated above must be paid for each such course.

11 **Author:** Commissioner of Insurance
12 **Statutory Authority:** Ala. Code §§ 27-2-17, 27-2-17.1, 27-7-43
13 & 27-8A-1, et seq. (1975), & Ala. Act No. 2015-441
14 **History:** New September 15, 1994, Effective October 1, 1994;
15 Revised September 23, 1996, Effective October 3, 1996; Revised
16 August 19, 2002, Effective August 29, 2002; Revised November
17 29, 2006, Effective December 9, 2006; Revised October 18,
18 2012, Effective October 28, 2012; Revised _____, Effective
19 January 1, 2016.