ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION
ADMINISTRATIVE CODE

CHAPTER 482-1-009
INDUSTRIAL FIRE INSURANCE POLICIES

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482-1-009-.01 Industrial Fire Insurance Defined.

Industrial fire insurance policies issued by insurers writing fire and allied lines of insurance through agents operating on the debit agency system, under which system a weekly or monthly collection percentage is paid based either on actual weekly or monthly premium collections or weekly or monthly increases of premium collections.
Author: John Davis, Associate Counsel
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-22-2.
History: New Rule: August 1, 1957; effective August 1, 1957. **Amended:** December 31, 1971; effective January 10, 1972. **Amended:** February 18, 1977. **Amended:** February 18, 1977; effective February 28, 1977. **Amended:** March 10, 1982; effective May 1, 1982. **Amended:** December 4, 1985; effective December 16, 1985. **Amended:** January 16, 2003; effective January 26, 2003. Filed with LRS January 16, 2003. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-009-.02 Indemnity Limits.

The face amount of the insurance provided by an industrial fire policy covering buildings and other structures or contents under the same ownership shall not exceed $7,500 for a weekly policy. For a monthly industrial fire policy, the maximum face amount covering a building or dwelling is $40,000 and for contents $20,000. This provision shall not prohibit a company from making application to write amounts of insurance in excess of $7,500 on a weekly mode equal to those on a monthly mode if such rating plan is approved by this Department. No insurer shall issue both a

weekly and a monthly industrial fire policy covering the same subject of insurance.
Author: John Davis, Associate Counsel
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-22-2.
History: **New Rule:** August 1, 1957; effective August 1, 1957. **Amended:** December 31, 1971; effective January 10, 1972. **Amended:** February 18, 1977. **Amended:** February 18, 1977; effective February 28, 1977. **Amended:** March 10, 1982; effective May 1, 1982. **Amended:** December 4, 1985; effective December 16, 1985. **Amended:** January 16, 2003; effective January 26, 2003. Filed with LRS January 16, 2003. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-009-.03 Method Of Payment.

No such policy shall be issued except upon a weekly or monthly premium payment basis. No discount for premiums paid in advance shall exceed five percent (5%) for premiums paid for six (6) months in advance, or ten percent (10%) for premiums paid for twelve (12) months in advance. In no event shall premiums be collected for more than twelve months in advance.
Author: John Davis, Associate Counsel
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-22-2.
History: **New Rule:** August 1, 1957; effective August 1, 1957. **Amended:** December 31, 1971; effective January 10, 1972. **Amended:** February 18, 1977. **Amended:** February 18, 1977; effective February 28, 1977. **Amended:** March 10, 1982; effective May 1, 1982. **Amended:** December 4, 1985; effective December 16, 1985. **Amended:** January 16, 2003; effective January 26, 2003. Filed with LRS January 16, 2003. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-009-.04 Policy And Forms.

An insurer issuing an industrial fire policy may not use the caption "The Standard Fire Policy." When policy designation is made, the words "Industrial," "Monthly," "Weekly Premium," or "Home Service" must be incorporated as a part of such caption. All policies and endorsements are subject to specific approval by this Department. All industrial fire policies must be marketed by a licensed producer authorized for the "Industrial (Debit) Fire" line of authority, or the "Property" and "Casualty" lines of authority.
Author: John Davis, Associate Counsel
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-14-8.
History: **New Rule:** August 1, 1957; effective August 1, 1957. **Amended:** December 31, 1971; effective January 10, 1972. **Amended:** February 18, 1977. **Amended:** February 18, 1977; effective February 28, 1977. **Amended:** March 10, 1982; effective May 1,

1982. **Amended:** December 4, 1985; effective December 16, 1985. **Amended:** January 16, 2003; effective January 26, 2003. Filed with LRS January 16, 2003. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-009-.05 Rate Filings.

Rates for industrial fire and allied lines shall be filed directly with the Insurance Department and shall be approved and supervised as to both initial filings and subsequent changes as required by our fire rating law.
Author: John Davis, Associate Counsel
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-13-29.
History: New Rule: August 1, 1957; effective August 1, 1957. **Amended:** December 31, 1971; effective January 10, 1972. **Amended:** February 18, 1977. **Amended:** February 18, 1977; effective February 28, 1977. **Amended:** March 10, 1982; effective May 1, 1982. **Amended:** December 4, 1985; effective December 16, 1985. **Amended:** January 16, 2003; effective January 26, 2003. Filed with LRS January 16, 2003. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-009-.06 Annual Statistical Reports.

(1) Every industrial fire insurer shall file annually on or before July 1 with this Department a statistical report showing a classification schedule of its premiums and losses covering the preceding year's industrial fire business in Alabama

(2) Written premiums and paid losses, by protection classification and by policy items shown separately for dwellings and for contents as follows

Sub-Code	Written Premiums	Paid Losses	Amount of Policy Item
1			Up to $2,500
2			$2,501 to $5,000
3			$5,001 to $10,000
4			$10,001 to $15,000
5			$15,001 to $20,000
6			$20,001 to $40,000

(3) Separate statistics are to be reported for (a) fire and lightning, (b) extended coverage, and (c) all additional coverages the company may be authorized to write under an approved industrial fire rating system. Each insurer is urged to maintain adequate statistics in additional form to be used in the future to support a continuation of its rating plan or such modification as experience might indicate to be necessary.

(4) An insurer may apply to the Department for exceptions to the statistical plan provided it can show that its method of operation is not compatible to the policy item amounts and such exceptions will not reduce the credibility of such company's statistical data.
Author: John Davis, Associate Counsel
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-13-28.
History: **New Rule:** August 1, 1957; effective August 1, 1957. **Amended:** December 31, 1971; effective January 10, 1972. **Amended:** February 18, 1977. **Amended:** February 18, 1977; effective February 28, 1977. **Amended:** March 10, 1982; effective May 1, 1982. **Amended:** December 4, 1985; effective December 16, 1985. **Amended:** January 16, 2003; effective January 26, 2003. Filed with LRS January 16, 2003. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-009-.07 Effective Date.

This chapter shall become effective upon its approval by the Commissioner of Insurance, and upon its having been on file as a public document in the office of the Secretary of State for ten days.
Author: John Davis, Associate Counsel
Statutory Authority: Code of Ala. 1975, §27-2-17.
History: **New Rule:** August 1, 1957; effective August 1, 1957. **Amended:** December 31, 1971; effective January 10, 1972. **Amended:** February 18, 1977. **Amended:** February 18, 1977; effective February 28, 1977. **Amended:** March 10, 1982; effective May 1, 1982. **Amended:** December 4, 1985; effective December 16, 1985. **Amended:** January 16, 2003; effective January 26, 2003. Filed with LRS January 16, 2003. Rule is not subject to the Alabama Administrative Procedure Act.