

APA-1

TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control: 482
Department or Agency: Alabama Department of Insurance
Rule No.: 482-1-111-.05
Rule Title: Licensing Of Credit Insurance Producers
Intended Action: Amend

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? No

To what degree?: N/A

Is the increase in cost more harmful to the public than the harm that might result from the absence of the proposed rule? NA

Are all facets of the rule-making process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? No

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 Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer

Reyn Norman
Reyn Norman

Date

Thursday, April 18, 2024

REC'D & FILED
APR 18, 2024
LEGISLATIVE SVC AGENCY

**ALABAMA DEPARTMENT OF INSURANCE**

**NOTICE OF INTENDED ACTION**

**AGENCY NAME:** Alabama Department of Insurance

**RULE NO. & TITLE:** 482-1-111-.05 Licensing Of Credit Insurance  
Producers

**INTENDED ACTION:** Amend

**SUBSTANCE OF PROPOSED ACTION:**

The Alabama Department of Insurance is exempt from the Alabama Administrative Procedures Act pursuant to Section 41-22-2(e), Code of Alabama 1975. The Commissioner proposes changing the name of the automobile line of authority to coordinate with other provisions.

**TIME, PLACE AND MANNER OF PRESENTING VIEWS:**

Interested persons may submit data, views, or arguments in writing at any time prior to 3:00 PM on June 6, 2024, 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 June 11, 2024.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:**

Tuesday, June 11, 2024

**CONTACT PERSON AT AGENCY:**

Erin Dunagan  
Associate Counsel

*Reyn Norman*

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Reyn Norman

(Signature of officer authorized  
to promulgate and adopt  
rules or his or her deputy)

Licensing Of Credit Insurance Producers.

- (1) ~~No person shall, in this state, be, act as, hold himself or herself out as, or claim to be or act as,~~In this state, no person shall be, act as, or claim to be a limited line credit insurance producer unless ~~then~~ licensed in this state as an insurance producer under the provisions of Chapter 7 of Title 27, Code of Ala. 1975. A limited line credit insurance producer ~~can~~may only market one or more forms of credit insurance to individuals through a master, corporate, group, or individual policy.
- (2) An individual or business entity licensed under the provisions of Chapter 7 of Title 27, Code of Ala. 1975:
- (a) As an insurance producer for the life line of authority ~~has the authority to~~may market credit life insurance.
  - (b) As an insurance producer for the disability line of authority ~~has the authority to~~may market credit disability insurance.
  - (c) As an insurance producer for the property and casualty lines of authority ~~has the authority to~~may market credit property and casualty insurance.
  - (d) As an insurance producer for the ~~automobile line of authority has the authority to~~personal lines line of authority may market credit property and casualty insurance in transactions where the collateral is an automobile.
- (3) An insurance producer license is not required of persons who secure and furnish information for the purpose of group life insurance, group property and casualty insurance, group annuities, group or blanket accident and health insurance; or for the purpose of enrolling individuals in such plans, or issuing certificates thereunder or otherwise assisting in administering such plans, or performs administrative services related to mass marketed property and casualty insurance~~+~~, where no commission is paid to such person for such services. These persons may enroll debtors without any license; however, commissions may be paid on this business only to licensed producers.
- (4) Individuals will be issued a limited line credit insurance license upon application, if otherwise qualified, without prelicensing education or written examination.
- (5) Business entities, including creditors, that have at least one individual licensed as a limited line credit insurance producer will be licensed as a limited line credit insurance producer upon application.
- (6) A creditor may form or acquire a subsidiary corporation for the purpose of securing a producer license. A licensed partnership, corporation, financial institution, or other creditor may receive payment of commissions directly from the sale of credit insurance.

(7) Employees of creditors may be individually licensed and appointed as producers. Employee includes officers, directors, stockholders, and traditional employees.

**Author:** Reyn Norman, Associate Counsel

**Statutory Authority:** Code of Ala. 1975, §§27-2-17, 27-7-43.

**History: New Rule:** April 19, 1995; effective May 1, 1995.

**Amended:** February 28, 2000; effective March 9, 2000. **Amended:** September 19, 2002; effective September 29, 2002. Filed with LRS October 19, 2002. Rule is not subject to the Alabama Administrative Procedure Act. Amended: Published ; effective .