

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance*

Rule No. 482-3-003-.09

Rule Title: Pyrotechnic Certificate of Authority - Required.

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 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? 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: February 20, 2019

*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 482-3-003-.09: Certificate of Authority - Required.

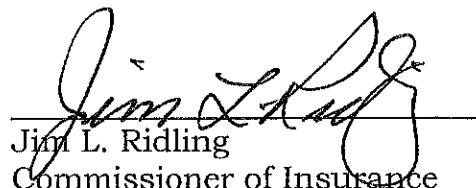
INTENDED ACTION: Amend existing rule.

SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance proposes to amend an existing rule relating to the requirements for a preneed certificate of authority. The amendments specify that renewal applications are to be filed on or before July 1 of each year, that there is a fine for each day after July 1 that a certificate holder fails to file its annual statement or, if applicable, a statement of trust activities, that failure to file the annual statement or, if applicable, the statement of trust activities shall, upon notice to the certificate holder, result in the suspension of the authority, and that a certificate of authority expires on September 1 unless properly renewed, all of which is required in Section 27-17A-11, Code of Alabama 1975. The amendments will become effective April 21, 2019.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit data, views, or arguments in writing at any time prior to April 6, 2019, 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 April 11, 2019.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
April 6, 2019

CONTACT PERSON AT AGENCY: Reyn Norman
General Counsel


Jim L. Ridling
Commissioner of Insurance

1 **482-3-003-.09 Certificate of Authority - Required.**

2 (1) Every preneed seller subject to the Act must have a
3 valid preneed certificate of authority to sell preneed
4 contracts and to collect payments for preneed contracts.
5 Each branch affiliated with a certificate holder must have a
6 valid branch registration.

7 (2) The certificate of authority or branch registration,
8 as applicable, shall be prominently displayed in a public area
9 of the certificate holder's or branch registrant's facility.
10 In the event a certificate of authority or branch registration
11 is surrendered, non-renewed, suspended or revoked, the
12 certificate or branch registration shall not be displayed and
13 must be returned to the Department.

14 (3) On or before July 1 of each year, every certificate
15 holder shall file an application for renewal which shall
16 include the certificate holder's annual statement and, if
17 applicable, statement of trust activities as required in
18 Section 27-17A-11(g).

19 (4) A certificate holder shall be subject to a fine for
20 each day after July 1 the certificate holder fails to file its
21 annual statement or, if applicable, statement of trust

1 activities as provided in Section 27-17A-11(h). The amount of
2 the fine is set forth in Rule 482-3-002-.02.

3 (5) Upon notice to the certificate holder by the
4 commissioner of the failure of the certificate holder to file
5 the annual statement or, if applicable, statement of trust
6 activities, the certificate holder's authority to sell preneed
7 contracts shall be suspended as provided in Section 27-17A-
8 11(h).

9 (6) A certificate of authority expires on September 1
10 unless properly renewed as provided in this rule as provided
11 in Section 27-17A-11(f).

12 **Author:** Commissioner of Insurance

13 **Statutory Authority:** Ala. Code §§ 27-2-17, 27-17A-1 to -57
14 (2014)

15 **History:** New November 13, 2014, Effective January 1, 2015;
16 Revised April 11, 2019, Effective April 21, 2019