

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance*

Rule No. 482-1-151-.06

Rule Title: Independent Adjuster Examinations.

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*

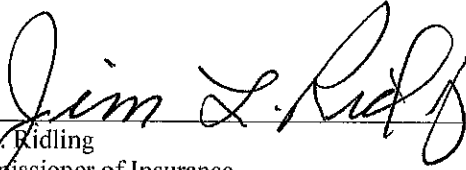
Does the proposed rule have an economic impact? N/A*

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
Commissioner of Insurance

Date: September 20, 2017

*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 482-1-151-.06: Independent Adjuster Examinations.

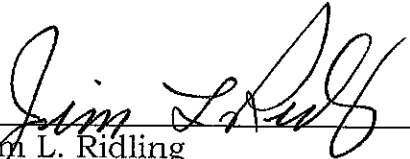
INTENDED ACTION: Amend rule.

SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance is proposing to amend the rule which sets the requirements for the Independent Adjuster examinations. The amendment adds the new examination exemption for individuals holding a certification from an approved preclicensing provider that the individual has passed an examination substantially similar to that required by the rule. The amendment will become effective November 25, 2017.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit data, views, or arguments in writing at any time prior to November 8, 2017, 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 PM, on November 15, 2017.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
November 8, 2017

CONTACT PERSON AT AGENCY: Reyn Norman
General Counsel



Jim L. Ridling
Commissioner of Insurance

1 **482-1-151-.06 Independent Adjuster Examinations.**

2 (1)(a) Except as provided in paragraph (3), all
3 individuals must successfully pass an examination prior to
4 becoming licensed as an independent adjuster for the following
5 lines of authority:

6 1. Property and Casualty, excluding Workers'
7 Compensation and Crop.

8 2. Workers' Compensation.

9 3. Crop.

10 4. Property and Casualty, including Workers'
11 Compensation and Crop.

12 (b) An outline for each examination will be posted on the
13 Department's Web site setting forth the number of questions on
14 the examination from each test section and the time allowed
15 within which to complete the examination.

16 (2) Unless otherwise exempt, an independent adjuster
17 whose license has expired or has otherwise been terminated and
18 has not been in effect for twelve (12) consecutive calendar
19 months must successfully pass the applicable examination(s),
20 as required in paragraph (1), in order to again become
21 licensed.

1 (3) The examination requirements shall not apply as
2 follows:

3 (a) An individual licensed as an independent adjuster in
4 another state based on an independent adjuster examination is
5 exempt from successfully passing an examination in order to
6 apply for an Alabama resident independent adjuster license
7 with the same line(s) of authority if, at the time of
8 application, the individual's out-of-state license is current
9 or was cancelled within ninety (90) days before the
10 application and the individual is in good standing in that
11 state or in the state's producer database records as
12 maintained by the NAIC.

13 (b) An individual currently licensed as an independent
14 adjuster (or its equivalent) in another state based on an
15 independent adjuster examination is exempt from successfully
16 passing an examination in order to apply for a nonresident
17 independent adjuster license in Alabama with the same line(s)
18 of authority if the individual is in good standing in that
19 state or in the state's producer database records as
20 maintained by the NAIC.

21 (c) An individual previously employed for a minimum of 20
22 years as an adjuster in this state by an insurance company

1 licensed in this state is exempt from successfully passing an
2 examination in order to apply for an independent adjuster
3 license in Alabama if the employment with the insurer ended
4 within 12 months before the application for independent
5 adjuster was filed.

6 (d) An individual holding a certification from a
7 prelicensing course provider approved by the commissioner
8 according to Rule 482-1-151-.04, certifying that the
9 individual has passed an examination substantially similar to
10 that required by this rule. The certification must have
11 issued within twelve (12) months from the date of the
12 application for license.

13 (4) Examination Passing Grade.

14 (a) Prior to an examination, each question will be valued
15 with the sum of the values equaling 100.

16 (b) After an examination, the value of each question
17 answered correctly will be counted and the sum of the values
18 totaling 70 or more shall constitute a passing grade.

19 (5) Limitations on Repeat Examinations.

20 (a) If an individual takes and fails to pass two
21 examinations for a particular line of authority, the

1 individual must wait a minimum of ninety (90) days after the
2 last failure before the individual can again take the
3 examination for that line of authority.

4 (b) If an individual thereafter fails the examination two
5 additional times, the individual must wait a minimum of one
6 hundred eighty (180) days after the last failure before each
7 subsequent examination for that line of authority.

8 (c) The waiting periods described in paragraphs (a) and
9 (b) expire twenty-four (24) months after the date of the last
10 failed examination.

11 (6) An individual passing an examination will be
12 furnished an examination results certificate by the
13 examination administrator. This certificate must be kept by
14 the individual and presented to Department of Insurance upon
15 request.

16 (7) Examination results certificates are valid for one
17 year from the date of issuance.

18 (8) An individual shall pay a non-refundable fee of \$75
19 for each examination scheduled.

20 **Author:** Commissioner of Insurance

21 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975), 27-9A-9
22 (2017) & 27-9A-18 (2011)

- 1 **History:** New October 18, 2012, effective October 28, 2012;
- 2 Revised July 21, 2016, Effective July 31, 2016; Revised
- 3 November 15, 2017, Effective November 25, 2017