

**TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION**

Control 482 Department or Agency Department of Insurance*

Rule No. 482-1-147-.06

Rule Title: Insurance Producer Examination.

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: September 20, 2018

*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 482-1-147-.06: Insurance Producer Examination.

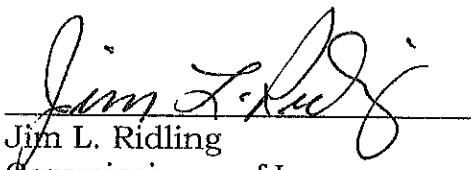
INTENDED ACTION: Amend rule.

SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance is proposing to amend the rule which sets forth the procedures for the insurance producer examinations. The amendment adds self-service storage facility insurance to the list of lines of insurance that are exempt from the examination requirement. The amendment will become effective November 17, 2018.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit data, views, or arguments in writing at any time prior to November 6, 2018, 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 November 7, 2018.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
November 6, 2018

CONTACT PERSON AT AGENCY: Reyn Norman
General Counsel



Jim L. Ridling
Commissioner of Insurance

1 482-1-147-.06 Insurance Producer Examination.

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

- 5 1. Life.
- 6 2. Health.
- 7 3. Property.
- 8 4. Casualty.
- 9 5. Personal Lines.
- 10 6. Bail Bonds.

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

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

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

21 (a) All applicants for a license to transact only the following lines
22 of authority are exempt from the requirements of this rule:

- 23 1. Variable Life and Variable Annuity Products.
- 24 2. Credit.

- 1 3. Rental Vehicle.
- 2 4. Crop.
- 3 5. Portable Electronics.
- 4 6. Travel.
- 5 7. Legal Services.
- 6 8. Dental Services.
- 7 9. Motor Club.
- 8 10. Self-Service Storage Facility.

9 (b) An individual licensed as an insurance producer in another state
10 is exempt from successfully passing an examination in order to apply for an
11 Alabama producer license with the same line(s) of authority if, at the time
12 of application, the individual's out-of-state license is current or was
13 cancelled within ninety (90) days before the application and the individual
14 is in good standing in that state or in the state's producer database
15 records as maintained by the NAIC.

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

22 (4) Examination Passing Grade.

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

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

4 (5) Limitations on Repeat Examinations.

5 (a) If an individual takes and fails to pass two examinations for a
6 particular line of authority, the individual must wait a minimum of ninety
7 (90) days after the last failure before the individual can again take the
8 examination for that line of authority.

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

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

15 (d) For purposes of applying the waiting periods in the context of
16 examinations on related lines of authority:

17 1. The waiting periods relating to the life examination or the
18 health examination apply to the combined life and health examination.

19 2. The waiting periods relating to the combined life and health
20 examination apply to the life examination and to the health examination.

21 3. The waiting periods relating to the property examination apply to
22 the industrial fire examination, the personal lines examination, and the
23 combined property and casualty examination.

1 4. The waiting periods relating to the casualty examination apply to
2 the automobile examination, the personal lines examination, and the
3 combined property and casualty examination.

4 5. The waiting periods relating to the combined property and
5 casualty examination apply to the industrial fire examination, the personal
6 lines examination, the property examination, and the casualty examination.

7 6. The waiting periods for the personal lines examination apply to
8 the industrial fire examination, the automobile examination, the personal
9 lines examination, the property examination, the casualty examination, and
10 the combined property and casualty examination.

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

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

17 (8) An individual shall pay a non-refundable fee as indicated below
18 for each examination scheduled:

19	1. Life	\$50.00
20	2. Health	\$50.00
21	3. Combined Life and Health	\$75.00
22	4. Property	\$50.00
23	5. Casualty	\$50.00
24	6. Combined Property and Casualty	\$75.00

- 1 7. Personal Lines \$50.00
- 2 8. Bail Bonds \$50.00

3 **Author:** Commissioner of Insurance
4 **Statutory Authority:** Ala. Code §§ 27-2-17, 27-7-4.3, 27-7-5 & 27-7-43
5 (1975)
6 **History:** New October 18, 2012, effective January 1, 2013; Revised August
7 12, 2015, Effective January 1, 2016; Revised November 7, 2018, Effective
8 November 17, 2018