

ALABAMA DEPARTMENT OF INSURANCE  
INSURANCE REGULATION  
ADMINISTRATIVE CODE

CHAPTER 482-1-154  
PAYMENT FAILURE

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**482-1-154-.01 Purpose, Scope And Authority.**

(1) The purpose of this chapter is to prescribe consequences for failure of payments due to the Department.

(2) This chapter shall apply to all individuals and business entities tendering, or obligated to tender, payment to the Department for a fee or charge of any kind.

(3) This chapter is adopted pursuant to Code of Ala. 1975, §§27-2-17, 27-4-2, and 8-8-15 (1975).

**Authority:** Commissioner of Insurance

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

**History: New Rule:** July 29, 2013; effective August 8, 2013. Filed with LRS July 29, 2013. Rule is not subject to the Alabama Administrative Procedure Act.

**482-1-154-.02 Definitions.** As used in this chapter:

(a) ASSESSMENTS AND FINES. Monetary amounts due for payment to the Department and designated as an assessment, a fine, or a penalty in any order, consent order, settlement, warning letter agreement, or other form of unilateral or

mutually agreed-to disposition between the Department and a licensee or an unlicensed individual or business entity.

(b) DEPARTMENT. The Department of Insurance and any of its divisions or units, including, without limitation, the Office of Commissioner and the Office of State Fire Marshal, and any third party which collects payments on behalf of the Department by agreement with the Department.

(c) LICENSE. Any form of individual or business entity license, permit, or registration issued by the Department, but does not include a certificate of authority issued to an insurance company.

(d) LICENSEE. An individual or business entity which holds a license.

(e) LICENSE FEES. The fees and, as applicable, any associated processing fees charged for issuance of a license by the Department.

(f) PAYMENT. The remitting of funds by check, other written negotiable instrument, or any form of electronic funds transfer, including, without limitation, credit cards and charge cards.

(g) PAYMENT FAILURE. Occurs if a payment tendered to the Department fails for any reason not within the control of the Department, including without limitation, dishonor or rejection.

**Authority:** Commissioner of Insurance

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

**History: New Rule:** July 29, 2013; effective August 8, 2013. Filed with LRS July 29, 2013. Rule is not subject to the Alabama Administrative Procedure Act.

#### **482-1-154-.03 License Fee - Failure Of Payment.**

(1) Upon being informed of a payment failure concerning a license fee, the Department will issue to the licensee written notice of intent to suspend the license if the license fee, together with any additional charges occasioned by the payment failure, are not paid in full by the date specified in the notice. If applicable, such notice may require that payment be made to a third party and evidence of payment

furnished by the third party to the Department. The notice may be issued by mail, facsimile, or electronically at the election of the Department.

(2) If the licensee does not comply with the notice, the license shall be suspended without further notice and, as applicable, information concerning the suspension will be reported to one or more centralized data registries maintained under the authority of the National Association of Insurance Commissioners. Reinstatement of a license after suspension will only occur on such terms and conditions as the Department may prescribe. The term of a license as originally issued is not extended by the period of a suspension.

**Authority:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17, 27-4-2.

**History: New Rule:** July 29, 2013; effective August 8, 2013. Filed with LRS July 29, 2013. Rule is not subject to the Alabama Administrative Procedure Act.

#### **482-1-154-.04 Assessments And Fines - Failure Of Payment.**

(1) Upon being informed of a payment failure concerning an assessment or fine involving a licensee, the Department will issue to the licensee written notice of intent to suspend the licensee's license if the balance of the assessment or fine then due, together with any additional charges occasioned by the payment failure, are not paid in full by the date specified in the notice. The notice may be issued by mail, facsimile, or electronically at the election of the Department.

(2) If the licensee does not comply with the notice, the license shall be suspended without further notice and, as applicable, information concerning the suspension will be reported to one or more centralized data registries maintained under the authority of the National Association of Insurance Commissioners. Reinstatement of a license after suspension will only occur on such terms and conditions as the Department may prescribe. The term of a license as originally issued is not extended by the period of a suspension.

(3) If the payment failure concerning an assessment or fine relates to an unlicensed individual or entity, the Department, at its sole election, may either deem the disposition immediately void or issue to the unlicensed party

written notice of intent to void the disposition if the balance of the assessment or fine then due, together with any additional charges occasioned by the payment failure, are not paid in full by the date specified in the notice. The notice may be issued by mail, facsimile, or electronically at the election of the Department.

(4) The provisions of this rule apply to all dispositions after the effective date of this chapter whether or not the disposition documentation refers to this rule.

**Authority:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17, 27-4-2.

**History: New Rule:** July 29, 2013; effective August 8, 2013.

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**482-1-154-.05 Payment Failure - Payment By Check - Bad Check Charge.**

(1) If a payment failure involves a check tendered for any license fee, assessment or fine, or any other type of fee or charge of any kind, the person remitting the check shall pay a bad check charge of \$30.00 or the maximum amount allowed under Code of Ala. 1975, §8-8-15 (1997) if amended after the effective date of this chapter in addition to the amount of the check.

(2) If, after notice from the Department, an individual or business entity fails to resolve a bad check tendered in instances other than for payment of a license fee or an assessment or fine, the Department at its election may decline to act on or process further requests from such individual or entity until the amount of the check and bad check charge have been fully paid.

**Authority:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17, 8-8-15.

**History: New Rule:** July 29, 2013; effective August 8, 2013.

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**482-1-154-.06 Severability And Effective Date.**

(1) If any rule or portion of a rule or its applicability to any person or circumstance is held invalid by a

court, the remainder of this chapter or the applicability of the provision to other persons or circumstances shall not be affected.

(2) 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.

**Authority:** Commissioner of Insurance

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

**History: New Rule:** July 29, 2013; effective August 8, 2013.

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