

ALABAMA DEPARTMENT OF INSURANCE  
ADMINISTRATIVE CODECHAPTER 482-1-072  
RECEIPT REQUIREMENTS

## TABLE OF CONTENTS

482-1-072-.01	Authority
482-1-072-.02	Purpose
482-1-072-.03	Applicability
482-1-072-.04	Minimum Requirements For Receipt Of Payment
482-1-072-.05	Notice Of Receipt Requirements
482-1-072-.06	Penalties
482-1-072-.07	Separability
482-1-072-.08	Effective Date <sup>4</sup>

**482-1-072-.01 Authority.** This chapter is promulgated under the provisions of Section 27-2-17 and the implied power of the Commissioner of Insurance under Section 27-2-7(4), Code of Ala. 1975.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17; 27-2-7(4).

**History: New Rule:** July 7, 1982; effective October 1, 1982.

**Revised:** December 22, 2004; effective January 1, 2005. Filed with LRS December 22, 2004. Rule is not subject to the Alabama Administrative Procedure Act.

**482-1-072-.02 Purpose.** The purposes of this chapter are:

(1) To regulate the activities of insurers and producers, with respect to the collection of monies for certain types of insurance coverages;

(2) To assure that the prospective policyowner receives adequate proof of payment for insurance purchased;

(3) To reduce the opportunity for misrepresentation and/or incomplete disclosures; and

(4) To establish penalties for failure to comply with the requirements of this chapter.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17; 27-2-7(4).

**History: New Rule:** July 7, 1982; effective October 1, 1982.

**Revised:** December 22, 2004; effective January 1, 2005. Filed with LRS December 22, 2004. Rule is not subject to the Alabama Administrative Procedure Act.

**482-1-072-.03 Applicability.** This chapter applies to any producer or any other person licensed by the Department and who solicits individual life or individual disability insurance or dwelling fire, homeowners, private passenger automobile or other property or casualty coverages classified or customarily defined as "personal lines" insurance, and to each insurer appointing or authorizing such licensee to solicit insurance in this state.

This chapter does not apply to the marketing of insurance on a direct-response basis.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17; 27-2-7(4).

**History: New Rule:** July 7, 1982; effective October 1, 1982.

**Revised:** December 22, 2004; effective January 1, 2005. Filed with LRS December 22, 2004. Rule is not subject to the Alabama Administrative Procedure Act.

**482-1-072-.04 Minimum Requirements For Receipt Of Payment.**

(1) No producer or any employee on their behalf, shall collect from any resident of this state monies representing premium for payment of insurance unless such licensee issues a receipt to such person which clearly shows on the receipt, or on the application from which the receipt is detached, the following: the date, name of the payer, the amount of money collected, signature of the producer, name and permanent business address of the insurance company to which the premium business will be paid and kind or plan of insurance covered by the transaction.

(2) This chapter does not prohibit a producer or insurer from placing on said receipt other pertinent information, such as "insurance will not be effective until

accepted by the company" or any other disclosure or explanatory statement, provided each statement is true and factual.

(3) This chapter does not apply to the payment of premiums by non-cash methods, such as personal checks or money orders, if such instruments are made payable to the insurer and the instrument itself provides evidence of payment, nor does this chapter apply to payment for renewal of a policy or an installment payment made to extend coverage on an in-force policy.

(4) This chapter shall not apply when an insurer's binding or conditional premium receipt is issued to an applicant, or if money is collected with an application and a copy of the application is left with the applicant, or if initial premium is collected at time of delivery of the policy, or if a policy, written binder, or memorandum of insurance is issued to the insured prior to acceptance of the premium.

(5) With respect to policies serviced through a home service collection system, the requirements of this chapter are satisfied if the premium payer is provided a premium receipt book or card which contains substantially all of the following: the name of the payer, the name and permanent business address of the insurer, the policy number and name of insured under each policy covered by the premium receipt book or card, and appropriate spaces or blanks for the recording of premium payments. The representative of the insurer collecting premiums shall, by signature or initials in the premium receipt book or card, acknowledge each premium payment, and such representative shall record in the premium receipt book or card the amount of each premium payment and the period of time for which premiums are paid.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17; 27-2-7(4).

**History:** **New Rule:** July 7, 1982; effective October 1, 1982.

**Revised:** December 22, 2004; effective January 1, 2005. Filed with LRS December 22, 2004. Rule is not subject to the Alabama Administrative Procedure Act.

**428-1-072-.05 Notice Of Receipt Requirements.** All insurers licensed to do business in Alabama shall inform their producers of the existence and of the requirements of this Chapter.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17; 27-2-7(4).

**History:** **New Rule:** July 7, 1982; effective October 1, 1982.  
**Revised:** December 22, 2004; effective January 1, 2005. Filed with LRS December 22, 2004. Rule is not subject to the Alabama Administrative Procedure Act.

**482-1-072-.06 Penalties.** Any insurer or producer failing to comply with the requirements of this Chapter shall be subject to such penalty as may be appropriate under the insurance laws of the State of Alabama.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17; 27-2-7(4).

**History:** **New Rule:** July 7, 1982; effective October 1, 1982.

**Revised:** December 22, 2004; effective January 1, 2005. Filed with LRS December 22, 2004. Rule is not subject to the Alabama Administrative Procedure Act.

**482-1-072-.07 Separability.** If any provision of this chapter is held invalid, the remainder shall not be affected thereby.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17; 27-2-7(4).

**History:** **New Rule:** July 7, 1982; effective October 1, 1982.

**Revised:** December 22, 2004; effective January 1, 2005. Filed with LRS December 22, 2004. Rule is not subject to the Alabama Administrative Procedure Act.

**482-1-072-.08 Effective Date.** This chapter will become effective October 1, 1982.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17; 27-2-7(4).

**History:** **New Rule:** July 7, 1982; effective October 1, 1982.

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