

ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION
ADMINISTRATIVE CODE

CHAPTER 482-1-109
CONTINUATION OF APPOINTMENTS FOR PRODUCERS AND SERVICE
REPRESENTATIVES

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482-1-109-.01 Authority. This chapter is adopted pursuant to the authority set forth in Sections 27-2-17, 27-7-30, and 27-7-43, Code of Ala. 1975.

Author: Reyn Norman, Associate Counsel

Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-7-30, 27-7-43.

History: New Rule: August 1, 1994; effective August 11, 1994.

Amended: July 22, 1999; effective August 1, 1999. **Amended:** August 19, 2002; effective August 29, 2002. Filed with LRS August 19, 2002. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-109-.02 Purpose. The purpose of this chapter is to present the procedure necessary for the effectuation of the provisions of the Insurance Code relating to the continuation of the appointment of insurance producers and service representatives.

Author: Reyn Norman, Associate Counsel

Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-7-30, 27-7-43.

History: New Rule: August 1, 1994; effective August 11, 1994.

Amended: August 19, 2002; effective August 29, 2002. Filed with LRS August 19, 2002. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-109-.03 Applicability And Scope.

(1) This chapter applies to all insurers appointing producers and service representatives pursuant to Chapter 7 of the Alabama Insurance Code.

(2) For purposes of this chapter, "insurers" shall have the same meaning as set forth in Section 27-7-1(6), Code of Ala. 1975.

Author: Reyn Norman, Associate Counsel

Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-7-30, 27-7-43.

History: New Rule: August 1, 1994; effective August 11, 1994.

Amended: August 19, 2002; effective August 29, 2002. Filed with LRS August 19, 2002. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-109-.04 Designation Of Contact Person.

(1) The Department will develop and maintain a list of contacts with insurers representing a person for each insurer designated by the insurer to be responsible for the continuation of appointments for producers and service representatives.

(2) All insurers will provide the following information to the Department regarding this designated person: Insurer name, designated person's name and title, mailing address, telephone number, facsimile number, and E-mail address.

(3) Insurers shall provide notice of any change in the requested information within ten (10) days of such a change.

(4) The Department will send all correspondence to insurers required by this chapter to the insurer's designated contact person. The preferred means of corresponding shall be via E-mail. If E-mail is not available, the next preferred means of corresponding shall be via facsimile. If E-mail and facsimile are not available, correspondence shall be via U.S. Mail.

Author: Reyn Norman, Associate Counsel

Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-7-30, 27-7-43.

History: **New Rule:** July 22, 1999; effective August 1, 1999.
Amended: August 19, 2002; effective August 29, 2002. Filed with LRS August 19, 2002. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-109-.05 Continuation Of Appointments Of Producers And Service Representatives.

(1) Insurers can access an alphabetical listing by insurer of all producers and service representatives currently appointed to represent each insurer in this state through the National Insurance Producer Registry (NIPR).

(2) The Department will send to the designated contact person for each insurer on or about October 1 of each year detailed instructions as to the procedure to be followed relative to the appointment continuation process of producers and service representatives. These instructions will include a reminder that insurers must submit to the Department a notice of termination for all producer and service representative appointments they do not wish to continue for the next year by December 31 of each year.

(3) For each producer or service representative appointment to be terminated, the insurer shall comply with the Department's procedures regarding termination of appointments, as said procedure may be hereafter altered or amended.

(4) The Department will assume an insurer's failure to submit a notice of termination prior to December 31 means the insurer wishes to renew all producer and service representative appointments shown on the Department's listing for the insurer as of that date for the coming year. All producer and service representative appointments not terminated on or before December 31 shall be deemed continued effective January 1.

(5) Any notice of appointment or termination submitted after December 31 will be held by NIPR until January 12. The license of any licensee failing to renew in accordance with Chapter 482-1-110 will expire and be canceled prior to January 5 and all appointments then held will be canceled.

(6) On or about January 5 of each year, an invoice will be prepared for each insurer by NIPR for the appointment

fees of all producers and service representatives deemed continued as provided in this rule. This invoice will be made available to insurers through NIPR on January 9 and shall be due in the amount indicated until the end of February.

(7) It is the insurer's responsibility to pay the appointment continuation invoice through NIPR prior to the end of February. Any appointment continuation invoice not paid in full by March 1 will be subject to a late fee of \$250, plus an additional \$250 on the first of each month thereafter until paid in full.

(8) In accordance with Sections 27-3-21(a) and 27-2-17(e), Code of Ala. 1975, the Commissioner has discretion to suspend or revoke an insurer's certificate of authority for willfully violating a material provision of a rule or regulation. Any insurer failing to remit payment of the invoice for appointment continuation fees provided pursuant to this rule plus an applicable late fee shall be subject to an order requiring the insurer to show good cause as to why the certificate of authority for the insurer should not be suspended for its failure to remit payment of the invoice for appointment continuation fees.

Author: Commissioner of Insurance

Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-7-30, 27-7-43.

History: New Rule: August 1, 1994; effective August 11, 1994.

Amended: September 23, 1996; effective October 3, 1996.

Amended: July 22, 1999; effective August 1, 1999. **Amended:** August 19, 2002; effective August 29, 2002. Filed with LRS August 19, 2002. **Revised:** Filed February 11, 2009; effective February 21, 2009. Filed with LRS February 11, 2009. Rule is not subject to the Alabama Administrative Procedure Act.

Revised: August 12, 2015; effective January 1, 2016. Filed with LRS August 12, 2015. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-109-.06 Effective Date. 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.

Author: Reyn Norman, Associate Counsel

Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-7-30, 27-7-43.

History: **New Rule:** August 1, 1994, Effective August 11, 1994.
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