

ALABAMA MANUFACTURED HOUSING COMMISSION  
ADMINISTRATIVE CODE

CHAPTER 535-X-15  
BONDING AND INSURANCE

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**535-X-15-.01** Purpose. The purpose of this rule is to ensure that manufacturers, retailers, and installers are adequately bonded and insured to assist homeowners in situations when a manufacturer, retailer, or installer has gone out of business or failed to meet their legal or regulatory responsibility to the consumer.

**Author:** Jim Sloan

**Statutory Authority:** Code of Ala. 1975, §24-6-4.

**History: New Rule:** Filed July 27, 2000; effective August 31, 2000; operative January 1, 2001.

**535-X-15-.02** Definitions.

(1) General Liability Insurance - A form of insurance that indemnifies against liability on account of injury to the person or property of another.

(2) Surety Bond - A type of bond which protects against loss due to the inability or refusal of an obligor to perform his/her contract.

**Author:** Jim Sloan

**Statutory Authority:** Code of Ala. 1975, §24-6-4.

**History: New Rule:** Filed July 27, 2000; effective August 31, 2000; operative January 1, 2001.

**535-X-15-.03 Bonding And Insurance Requirements.** To obtain licensure, manufacturers, retailers, and installers must hold a valid bond and general liability insurance coverage as follows:

<u>Who</u>	<u>*Bond</u>	<u>Insurance</u>
Manufacturer	25K per Licensed Facility or a minimum of 100K	1 M
Retailer	25K for 1 to 3 Facilities 50K for more than 3	500K
Installer	20K	100K

\*After a periodic review of valid claims, the Commission may decrease or increase the bond requirements.

**Author:** Jim Sloan

**Statutory Authority:** Code of Ala. 1975, §24-6-4.

**History: New Rule:** Filed July 27, 2000; effective January 1, 2001.

**Amended:** Filed June 5, 2008; effective July 10, 2008.

**535-X-15-.04 Bond Claims.** The Commission shall have the administrative authority to validate and determine the responsible parties for any bond claims.

**Author:** Jim Sloan

**Statutory Authority:** Code of Ala. 1975, §24-6-4.

**History: New Rule:** Filed July 27, 2000; effective August 31, 2000; operative January 1, 2001.

**535-X-15-.05 Administrative Cost.** The Commission may establish a schedule of fees to pay the cost of implementing and enforcing these regulations.

**Author:** Jim Sloan

**Statutory Authority:** Code of Ala. 1975, §24-6-4.

**History: New Rule:** Filed July 27, 2000; effective August 31, 2000; operative January 1, 2001.

**535-X-15-.06 Penalties And Appeals.**

(1) Failure to comply with this chapter may result in the suspension or revocation of the licensee's license to manufacture,

sell, or install homes in Alabama and a fine in an amount not to exceed \$1000 for each violation or both.

(2) An appeal for a hearing may be filed in accordance with the procedures in Chapter 535-X-12-.08(2).

**Author:** Jim Sloan

**Statutory Authority:** Code of Ala. 1975, §24-6-4.

**History: New Rule:** Filed July 27, 2000; effective August 31, 2000; operative January 1, 2001. **Amended:** Filed January 7, 2014; effective February 11, 2014.