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IN THE MATTER OF:)
)
THE ADOPTION OF INSURANCE) CASE NO. R-2024-80ED
DEPARTMENT REGULATIONS)

**ORDER ADOPTING AMENDMENT TO
SECTION 5 OF ALABAMA INSURANCE REGULATION NO. 111
[RULE 482-1-111-5]**

Pursuant to § 27-2-17, Ala. Code 1975, the Alabama Department of Insurance held a public hearing on the proposed amendment to Section 5 of Alabama Insurance Regulation No. 111 [Rule 482-1-111-5] at 10:00 a.m. on June 11, 2024, in its offices at 201 Monroe Street, Suite 502, Montgomery, Alabama. Notice of the hearing was posted for over 30 days prior to the date of the hearing on the Department of Insurance website. The hearing was also advertised in the *Alabama Administrative Monthly* published on April 30, 2024. Said notices offered all interested parties the opportunity to submit written and/or oral testimony.

The amendment to Section 5 of Regulation No. 111 proposes changing the name of the automobile line of authority to personal lines line of authority. Upon consideration of the testimony and written submissions, it is found to be in the best interest of the public in this state to adopt the amendment to Section 5 of Regulation No. 111 as proposed.

THEREFORE, it is hereby **ORDERED** that the proposed amendment to Section 5 of Regulation No. 111 be and the same is hereby adopted and will become effective July 1, 2024, upon having been filed as a public document in the office of the Secretary of State for ten (10) days.

DONE and ORDERED, this the 11th day of June, 2024.



Mark Fowler
Commissioner

MF/ED/ct

482-1-111-.05 Licensing Of Credit Insurance Producers.

(1) In this state, no person shall be, act as, or claim to be a limited line credit insurance producer unless licensed in this state as an insurance producer under the provisions of Chapter 7 of Title 27, Code of Ala. 1975. A limited line credit insurance producer may only market one or more forms of credit insurance to individuals through a master, corporate, group, or individual policy.

(2) An individual or business entity licensed under the provisions of Chapter 7 of Title 27, Code of Ala. 1975:

(a) As an insurance producer for the life line of authority may market credit life insurance.

(b) As an insurance producer for the disability line of authority may market credit disability insurance.

(c) As an insurance producer for the property and casualty lines of authority may market credit property and casualty insurance.

(d) As an insurance producer for the personal lines line of authority may market credit property and casualty insurance in transactions where the collateral is an automobile.

(3) An insurance producer license is not required of persons who secure and furnish information for the purpose of group life insurance, group property and casualty insurance, group annuities, group or blanket accident and health insurance; or for the purpose of enrolling individuals in such plans, or issuing certificates thereunder or otherwise assisting in administering such plans, or performs administrative services related to mass marketed property and casualty insurance, where no commission is paid to such person for such services. These persons may enroll debtors without any license; however, commissions may be paid on this business only to licensed producers.

(4) Individuals will be issued a limited line credit insurance license upon application, if otherwise qualified, without prelicensing education or written examination.

(5) Business entities, including creditors, that have at least one individual licensed as a limited line credit insurance producer will be licensed as a limited line credit insurance producer upon application.

(6) A creditor may form or acquire a subsidiary corporation for the purpose of securing a producer license. A licensed partnership, corporation, financial institution, or other creditor may receive payment of commissions directly from the sale of credit insurance.

(7) Employees of creditors may be individually licensed and appointed as producers. Employee includes officers, directors, stockholders, and traditional employees.

Author: Reyn Norman, Associate Counsel

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

History: **New Rule:** April 19, 1995; effective May 1, 1995.
Amended: February 28, 2000; effective March 9, 2000. **Amended:**
September 19, 2002; effective September 29, 2002. Filed with LRS
October 19, 2002. Rule is not subject to the Alabama
Administrative Procedure Act. **Amended:** Published April 30,
2024; effective July 1, 2024.