Notice

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Agency

Department of Insurance

Digest

AGENCY NAME: Alabama Department of Insurance


INTENDED ACTION: Amend existing chapter.

SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance is proposing to amend the existing insurance regulation which sets forth the rules and procedural requirements necessary to increase the certain fees according to changes in the Consumer Price Index. The Insurance Fraud Unit Assessment was initially set in 2012 in Ala. Code Section 27-12A-41, which became effective August 12, 2012. The amendments adjust the assessment according to changes in the Consumer Price Index over the last ten years as permitted by Ala. Code Section 41-1-11. The proposed effective date of the amended rule is January 1, 2022.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit data, views, or arguments in writing at any time prior to October 6, 2022, to the Alabama Department of Insurance, Attention: Legal Division, Post Office Box 303351, Montgomery, Alabama 36130-3351, or orally by appearing at the public hearing, Suite 502, RSA Tower, 201 Monroe Street, Montgomery, Alabama, beginning at 10:00 AM, on October 7, 2022.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

October 6, 2022

CONTACT PERSON AT AGENCY: Reyn Norman
General Counsel

/s/ ____________________________
Mark Fowler
Acting Commissioner
ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION

CHAPTER 482-1-160
ADJUSTMENT OF SERVICE CONTRACT PROVIDER AND PREMIUM FINANCE COMPANY CERTAIN FEES ACCORDING TO CHANGES IN THE CPI

482-1-160-.01 Purpose, Authority, and Effective Date

(1) The purpose of this chapter is to set forth rules the Commissioner deems necessary to carry out the provisions of Ala. Code Section 41-1-11, permitting the increase of certain fees by the percentage increase in the Consumer Price Index for all urban consumers as published by the U.S. Department of Labor, Bureau of Labor Statistics. Initially, the increase is to be calculated from the end of December in the tenth year preceding the year in which the fee increase is to be effective, or from the end of December in the last year the fee was increased, whichever period is shorter, to the end of the month preceding the month in which the fee increase is to be effective, rounded down to the nearest dollar. Thereafter, every five years this process may be repeated for the previous five years forward to the date of the requested change. The change may not exceed an increase of two percent per year.

(2) This chapter is adopted pursuant to Ala. Code Sections 27-2-17 and 41-1-11.

(3) This chapter shall become effective April 1, 2016, upon its approval by the Commissioner of Insurance and upon its having been on file with the Legislative Reference Service for 35 days, subject to review by the Joint Committee on Administrative Regulation Review.

Author: Commissioner of Insurance
Statutory Authority: Ala. Code Sections 27-2-17 & 41-1-11
History: New December 8, 2015, Effective April 1, 2016; Revised June 10, 2021, Effective June 20, 2021

482-1-160-.02 Service Contract Provider Fee

The Commissioner of Insurance hereby sets the following fee as is declared necessary for the administration and enforcement of Chapter 32 of Title 8, Code of Alabama 1975, relating to the regulation of service contracts sold to consumers in this state, adjusted according to Ala. Code Section 41-1-11:

(a) Service Contract Provider registration fee, initial and annual renewal. . . . . . . . . . . . . . . . $264.00

Author: Commissioner of Insurance
Statutory Authority: Ala. Code Sections 8-32-3, 27-2-17, & 41-1-11
History: New December 8, 2015, Effective April 1, 2016; Revised June 10, 2021, Effective June 20, 2021

482-1-160-.03 Premium Finance Company Fees

The Commissioner of Insurance hereby sets the following fees as are declared necessary for the administration and enforcement of Chapter 40 of Title 27, Code of Alabama 1975, relating to the regulation of premium finance companies, adjusted according to Ala. Code Section 41-1-11:

Matthew Smith
(a) Annual license fee, generally .... $ 264.00  
(b) Annual license fee, for an insurance agency which finances its own business of less than $150,000.00 in premiums annually .... $ 66.00  

Author: Commissioner of Insurance  
Statutory Authority: Ala. Code Sections 27-2-17, 27-40-3, & 41-1-11  
History: New December 8, 2015, Effective April 1, 2016; Revised June 10, 2021, Effective June 20, 2021

482-1-160-.04 Insurance Fraud Unit Assessment Fee. The Commissioner of Insurance hereby sets the following assessment fee as is declared necessary for the administration and enforcement of Article 3 of Chapter 12A of Title 27, Code of Alabama 1975, relating to the Insurance Fraud Unit, adjusted according to Ala. Code Section 41-1-11:

(a) Annual Fraud Unit assessment fee, as set forth in Ala. Code Section 27-12A-41 .... $ 240.00  

Author: Commissioner of Insurance  
Statutory Authority: Ala. Code Sections 27-2-17, 27-12A-41, & 41-1-11  
History: New October 7, 2022, Effective January 1, 2023

History

APA-2  
11/96  
Alabama Department of Insurance  
NOTICE OF INTENDED ACTION

Classification

Subject: CONSUMERS (89%); ADMINISTRATIVE LAW (78%); CONSUMER PRICE INDEX (78%); LABOR DEPARTMENTS (78%); PRICES (78%); LABOR SECTOR PERFORMANCE (74%); WRITERS (74%); GOVERNMENT STATISTICS AGENCIES (73%); INSURANCE FRAUD (73%); APPROVALS (72%); STATISTICS (69%)

State: ALABAMA, USA (93%)

Industry: WRITERS (74%)

Load-Date: September 2, 2022

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