

ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION

CHAPTER 482-1-148

TITLE INSURANCE AGENTS

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482-1-148-.01 Purpose, Scope, and Authority.

(1) The purposes of this chapter are as follows:

(a) To set forth rules and procedural requirements the Commissioner deems necessary to carry out the provisions of Chapter 25 of Ala. Code Tit. 27, relating to the licensing of title insurance agents; the issuance of title insurance agent appointments; the authorization of prelicensing course providers and approval of prelicensing courses; and the various types of disciplinary action concerning licenses and grants of authority.

(b) To set forth the procedures for the renewal of licenses of title insurance agents, as is required by Ala. Code § 27-25-4.2 (2012).

(c) To implement the continuing education requirements for title insurance agents set forth in Ala. Code § 27-25-4.4 (2012).

(2) This chapter shall apply to individuals and business entities applying for and renewing a title insurance agent license, to persons authorized to provide prelicensing and continuing education courses for title insurance agents, and to all title insurance companies appointing title insurance agents.

(3) This chapter is adopted pursuant to Ala. Code §§ 27-25-4 and 27-25-8 (1975).

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.02 Definitions. Unless the context otherwise requires, terms found in this chapter are used as defined in Ala. Code § 27-25-3 (1975). Additionally, the following terms shall be defined for purposes of this chapter as follows:

(a) **BUSINESS ENTITY.** A domestic entity properly formed and existing under Ala. Code Tit. 10A (2011).

(b) **INDIVIDUAL.** A natural person.

(c) **LICENSEE.** A title insurance agent licensed in accordance with this chapter.

(d) **NAIC.** The National Association of Insurance Commissioners or its affiliates or subsidiaries, and any successor thereof.

(e) **NIPR.** The National Insurance Producer Registry.

(f) **PERSON.** An individual or business entity.

(g) **PRELICENSING COURSE.** A course of study approved by the Commissioner as satisfying the prelicensing education requirements of Ala. Code § 27-25-4.3 and offered through a prelicensing course provider authorized by the Commissioner to issue certificates of course completion.

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(h) **PRINCIPAL PLACE OF BUSINESS.** The place from which a business entity's officers or other principals direct, control, and coordinate the entity's business activities.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.03 Prelicensing Course.

(1) An individual subject to the examination requirement set forth in Rule 482-1-148-.06 must complete a prelicensing course in order to take the title insurance agent examination.

(2) The prelicensing course must have been completed within twelve (12) months before the date of the examination.

(3) An individual is required to present a certificate of completion of the prelicensing course, together with photographic identification, as a condition for taking the title insurance agent examination.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.04 Approval and Regulation of Prelicensing Course Providers.

(1) A prelicensing course provider must be approved by the Commissioner to issue certificates of prelicensing course completion before offering or conducting prelicensing courses. Prelicensing courses offered through, and certificates of course completion issued by, unapproved providers will not be accepted as valid for purposes of this chapter.

(2) The application for approval will be on a form or in a format prescribed by the Department. Approval is valid for a calendar year, expiring on December 31 of that year. Beginning on or about October 1, an approved provider may request approval for the next succeeding calendar year in accordance with instructions provided by the Department. A provider must have applied for and obtained approval before offering or conducting courses in the next succeeding calendar year. The initial fee for approval of a prelicensing provider is hereby set at \$75. The annual renewal fee for a prelicensing provider is hereby set at \$50.

(3) The provider shall furnish each individual successfully completing a prelicensing course a certificate of completion as provided by the department, signed by the prelicensing course instructor or provider, that contains the name of the prelicensing

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course provider, the student's full name, the line of authority covered by the course, the beginning date, the date of completion, and the number of course hours completed.

(4) Prelicensing course providers shall maintain for a minimum of three (3) years records that reflect each individual who has successfully completed a prelicensing course and make such records available for review by the Commissioner upon request.

(5) The Commissioner may audit any approved provider at any time. An audit may include, but is not limited to, a review of the attendance and curriculum records and observation of instructional sessions. The provider shall furnish such records, data, or information, or provide such other assistance, as the Commissioner may request incident to the audit.

(6) A prelicensing course provider may be placed on probation or its authority suspended or revoked for any of the following reasons:

(a) The provider offered or conducted prelicensing courses during a time when it was not approved to do so.

(b) The provider offered or conducted a prelicensing course not approved by the Commissioner.

(c) The provider issued certificates of completion during a time when it was not approved to do so or for prelicensing courses not approved by the Commissioner.

(d) The content of an approved prelicensing course was significantly changed without notice to and prior approval from the Commissioner.

(e) A certificate of completion was issued to a person who did not actually complete the course.

(f) A certificate of completion was not issued to a person who had actually completed the course.

(g) The provider's annual passing ratio for first time testers over the last year is less than 70% of the statewide passing ratio for first time testers.

(h) Within fifteen (15) days after the date of the Commissioner's written request (or within such time as the request may provide), the provider fails to respond or provide the records, data, or information requested.

(7) A decision to place a provider in probationary status may be made without a preceding hearing, but the provider will be allowed 30 days from the date of the notice of such action within which to appeal the action to the Commissioner. An alleged course of conduct or acts or omissions which the Department believes to justify suspension or revocation will be made in the form of an administrative complaint on which the provider may request a hearing before a decision is made. Administrative proceedings, including hearings, will be conducted in accordance with Regulation 482-1-065 to the extent applicable to the nature of the proceeding.

(8) A provider on probation is allowed to become or remain authorized and to renew an existing authority, as applicable, if the provider has complied or is complying

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with the conditions specified in the notice imposing the probation during the stated term of the probation. During the term of the probation, the provider remains subject to all applicable requirements of the Insurance Code and this Chapter. If so stated in the notice imposing the probation, failure to comply with the conditions set forth in the probation notice may result in the immediate suspension or revocation of the provider authority without further administrative proceedings.

(9) Reinstatement of approval of a prelicensing course provider after a suspension or revocation is at the sole discretion of the Commissioner and is conditioned upon the receipt of satisfactory proof that the conditions leading to the suspension or revocation have been corrected and the possibility of reoccurrence of the violation has been substantially mitigated or eliminated.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.05 Approval and content of prelicensing courses.

(1) Each prelicensing course must be approved by the Commissioner before the course is offered or conducted. Approval of a provider to issue certificates of course completion as provided in Rule 482-1-148-.04 is not approval of any particular prelicensing course offered or proposed to be offered by the provider. A certificate of course completion for an unapproved course will not be accepted as valid for purposes of this chapter.

(2) Approved courses must consist of twenty (20) classroom hours or equivalent individual instruction.

(3) To request approval, the provider shall file with the Commissioner in a format prescribed by the Department all of the following:

(a) An outline of the proposed course, including instructional time for each course major component.

(b) A list of instructional materials used.

(c) The name or names of the instructors.

(d) The category or categories of license for which the course is intended to prepare applicants for licensing.

(e) Such additional or supplemental information as the Commissioner may request, including, but not limited to, further detail of the proposed course content or copies of any instructional materials to be used.

(4) The provider's submission must show that the subject matter of the prelicensing course pertains to title insurance, the course covers the general principles of

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title insurance, the duties and responsibilities of a title insurance agent, and the title insurance laws and regulations of this state, and the course addresses all of the following:

- (a) Study and analysis of the fundamentals of title insurance.
 - (b) Study and analysis of various kinds of title insurance policies, endorsements, riders, and other title insurance policy contract documents.
 - (c) Study and analysis of the manner in which title insurance rates are established and implemented.
 - (d) Study and analysis of the basic title insurance licensing requirements set forth in the statutes and regulations of this state.
 - (e) Such additional material as the Commissioner may from time to time require by notice to course providers.
- (5) Instructors must be knowledgeable of the title insurance industry and all aspects of the insurance law applicable to title insurance.
- (6) The Commissioner may review any approved course at any time and may cancel approval of the course with regard to future offerings upon a finding that the course, as designed, structured, or conducted and/or its content and materials is not adequate for its stated purpose. Said review shall include, but not be limited to, the review of curriculum records, review of attendance records, student evaluation forms or reports, and observation of instructional sessions in progress.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.06 Title Insurance Agent Examinations.

(1)(a) Except as provided in paragraph (2), all individuals must successfully pass an examination prior to becoming licensed as a title insurance agent.

(b) An outline of the examination will be posted on the Department's Web site setting forth the number of questions on the examination from each test section and the time allowed within which to complete the examination.

(2) An individual is exempt from the examination requirement only as follows:

(a) If, on or before March 31, 2013, the individual can establish to the satisfaction of the commissioner that from January 1, 2008, to December 31, 2012, the individual was an authorized signatory for title commitments, title insurance policies, and title insurance policy endorsements on behalf of a title insurer properly authorized to conduct the business of title insurance in this state.

(b) The individual was previously licensed as a title insurance agent in this state after having passed the examination or being exempt from the examination under

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paragraph (a), but only if the application is received within twelve (12) months of the cancellation of the individual's previous license and if, at the time of the cancellation, the individual was in good standing with this department.

(3) Examination Passing Grade.

(a) Prior to an examination, each question will be valued with the sum of the values equaling 100.

(b) After an examination, the value of each question answered correctly will be counted and the sum of the values totaling 70 or more shall constitute a passing grade.

(4) Limitations on Repeat Examinations.

(a) If an individual takes and fails to pass two examinations, the individual must wait a minimum of ninety (90) days after the last failure before the individual can again take the examination.

(b) If an individual thereafter fails the examination two additional times, the individual must wait a minimum of one hundred eighty (180) days after the last failure before each subsequent examination.

(c) The waiting periods described in paragraphs (a) and (b) expire twenty-four (24) months after the date of the last failed examination.

(5) An individual passing an examination will be furnished an examination results certificate by the examination administrator. This certificate must be kept by the individual and presented to Department of Insurance upon request.

(6) Examination results certificates are valid for one year from the date of issuance.

(7) An individual shall pay a non-refundable fee of \$75 for each examination scheduled.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.07 Title Insurance Agent License.

(1) All title insurance commitments, policies and endorsements issued by a title insurance agent and insuring an interest in real property situated in this state must be issued and signed by a duly licensed and appointed title insurance agent. The signature block shall contain the license number for the issuing agent and of the signing agent.

(2) Business Entity Agent. A business entity may be issued a title insurance agent license in accordance with the following:

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(a) To be licensed as a title insurance agent, a business entity must be an Alabama entity properly formed and existing under Ala. Code Tit. 10A (2011), and must have its principal place of business physically located in this state. A sole proprietorship can only be licensed as an individual title agent. One or more individuals doing business under a trade name cannot obtain a business entity title agent license absent formal organization as an entity.

(b) The entity shall complete the Department's on-line licensing process to become licensed as a title insurance agent.

(c) The business entity license applicant must identify at least one licensed individual title insurance agent designated as responsible for the business entity's compliance with all applicable laws, rules and regulations, and designated to act as signatory on title insurance commitments, policies and endorsements issued by the business entity agent. The licensed individual title insurance agent so designated must have such a degree of affiliation with the entity in terms of an ownership interest in the entity, a role as an officer or director, employment relationship, or otherwise as reasonably assures that the licensed individual agent can cause or influence the entity's compliance with all applicable laws, rules, and regulations, including but not limited to the requirements set forth in paragraph (3) below.

(d) Business entity title insurance agents must be appointed to act on behalf of a title insurer and must be appointed by each title insurer it represents. A business entity is deemed to be representing or acting on behalf of a title insurer upon entering into an agency contract or agreement with the insurer. Each individual title insurance agent acting on behalf of the business entity title agent must also be appointed to represent the insurer.

(3) Individual Agent. An individual may be issued a title insurance agent license in accordance with the following:

(a) The individual must be at least 19 years of age.

(b) The individual must be either:

1. An Alabama resident citizen.

2. A non-Alabama resident who is employed on a full-time basis by a duly licensed title insurance agent whose principal place of business is physically located in this state.

(c) The individual shall complete the Department's on-line licensing process to become licensed as a title insurance agent.

(d) Individual title insurance agents must be appointed to act on behalf of a title insurer and must be appointed by each insurer it represents.

(4) Unless exempt, an individual applicant must comply with the prelicensing education and examination requirements prior to making application for license as a title insurance agent.

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(5) Instructions for the on-line licensing process, as it may change from time to time, will be provided on the Department's Web page.

(6) The initial fees for an individual title insurance agent license are set by statute and are listed on the Department's Web page.

(7) Subsequent changes in the name or address of a title agent must be reported within 30 days thereof. While there is no filing fee for reporting such changes, there is a penalty of \$50 for the failure to report the changes within 30 days. Instructions for the name and address change process, as it may change from time to time, will be provided on the Department's Web page.

(8)(a) Individual and business entity title insurance agents are subject to the license renewal process set forth in Rule 482-1-148-.08.

(b) If a title insurance agent license is not renewed in accordance with Rule 482-1-148-.08, the license expires and all title insurer appointments are canceled.

(c) Within twelve months of expiration, the former licensee can reapply for a title insurance agent license without having to retake the prelicensing course or examination by following the instructions for the on-line license reinstatement process, as it may change from time to time, as directed on the Department's Web page. Upon receiving the reinstated license, the title agent may again be appointed by insurers by following the on-line appointment process.

(d) When former licensees have been without a license for over twelve months, they must comply with any applicable prelicensing course and examination requirements before again applying for a title insurance agent license.

(9) When a title insurance agent's license is suspended or revoked, the former licensee should contact the Legal Division of the Department to receive instructions should the former licensee desire to again become licensed.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.08 Renewal of Licenses.

(1) All title insurance agents licensed in the State of Alabama are required to complete an application for license renewal with the Department according to the schedule set forth in this rule, which shall include the payment of the applicable fees, as set forth below:

(a) For individual licensees:

1. For renewals received on or before the license expiration date, the biennial license renewal fee as required by Section 27-25-4.7(a)(1)a.2. \$40.00

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2. For renewals received during the first 30 days following the license expiration date, the biennial license renewal fee plus the \$50.00 late renewal fee set forth in 27-25-4.7(a)(1)d. \$90.00

3. For reinstatements received after the first 30 days following the license expiration date but within 12 months following the license expiration date, double the biennial license renewal fee required by Section 27-25-4.7(a)(1)d., as required in Section 27-25-4.2(d) \$80.00

(b) For business entity licensees:

1. For renewals received on or before the license expiration date, the biennial renewal license fee as required by Section 27-25-4.7(a)(1)b.2. \$100.00

2. For renewals received during the first 30 days following the license expiration date, the biennial license renewal fee plus the \$50.00 late renewal fee set forth in 27-25-4.7(a)(1)d. \$150.00

(2)(a)1. All individual licensees shall renew their license biennially based on their month and year of birth.

2. Licensees Born in Even-numbered Years. Beginning in the year 2014, the license of an individual licensee born in an even-numbered year will expire if not renewed at the end of the licensee's birth month in 2014 and every other year thereafter.

3. Licensees Born in Odd-numbered Years. Beginning in the year 2015, the license of an individual licensee born in an odd-numbered year will expire if not renewed at the end of the licensee's birth month in 2015 and every other year thereafter.

(b) Notice is hereby given that beginning approximately seventy-five (75) days prior to license expiration, individual licensees can access the Department's Web site for the purpose of completing their application for license renewal. An initial individual license shall not expire within the first seventy-five (75) days of its effective date.

(c) All individual licensees shall complete an application for license renewal on the Department's Web site by the license expiration date, to include payment of the applicable fee as set forth in paragraph (1).

(3)(a) Expiration of Business Entity Title Insurance Agent Licenses. All business entity title insurance agent licenses shall expire if not renewed on December 31 of 2014 and every other year thereafter.

(b) Notice is hereby given that beginning on October 1 next preceding license expiration, business entity licensees can access the Department's Web site for the purpose of completing their application for license renewal.

(c) All business entity licensees shall complete an application for license renewal on the Department's Web site prior to license expiration, to include payment of the applicable fee as set forth in paragraph (1). Any license not renewed by the license expiration date may still be renewed during the first 30 days following expiration, with reinstatement retroactive to the expiration date, by paying the applicable fee set forth in paragraph (1).

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Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.09 Continuing Education.

(1)(a) Individual licensees shall satisfactorily complete such courses or programs of instruction as may be approved in accordance with this chapter in the minimum number of 24 classroom hours, 3 hours of which shall be on the topic of ethics, in order to be eligible to renew a title insurance agent license, except as otherwise indicated in this rule.

(b) Licensees Born in Even-numbered Years, Renewal in 2014. Along with the renewal of license due to be completed in accordance with paragraph (2) of Rule 482-1-148-.08 in the year 2014, every individual licensee born in an even-numbered year shall satisfactorily complete such courses or programs of instruction as may be approved in accordance with this chapter in the minimum number of 12 classroom hours, 2 hours of which shall be on the topic of ethics. This represents a temporary, transitional reduction in the hours as authorized in Section 27-25-4.8(d) and is applicable only for the first renewals under the new law.

(c) Licensees Born in Odd-numbered Years, Renewal in 2015 and thereafter. Along with the renewal of license due to be completed in accordance with paragraph (2) of Rule 482-1-148-.08 in the year 2015 and in every other year thereafter, every individual licensee born in an odd-numbered year shall satisfactorily complete such courses or programs of instruction as may be approved in accordance with this chapter in the minimum number of 24 classroom hours, 3 hours of which shall be on the topic of ethics.

(d) Licensees Born in Even-numbered Years, Renewal in 2016 and thereafter. Along with the renewal of license due to be completed in accordance with paragraph (2) of Rule 482-1-148-.08 in the year 2016 and in every other year thereafter, every individual licensee born in an even-numbered year shall satisfactorily complete such courses or programs of instruction as may be approved in accordance with this chapter in the minimum number of 24 classroom hours, 3 hours of which shall be on the topic of ethics.

(2) A person teaching any approved course of instruction or lecturing at any approved seminar or program shall qualify for the same number of classroom hours as would be granted to a person taking and successfully completing such course, seminar or program.

(3) No title insurance agent may receive credit for any approved course more than once for any reporting period.

(4) For the purposes of this chapter, "classroom hour" shall mean a unit of at least fifty (50) minutes of participation in an approved course. This unit of measure shall

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apply to any classroom course, correspondence course, internet course, or other program or seminar of instruction approved by the Commissioner. Not more than ten (10) minutes of any sixty (60) minute period may be used for breaks, roll-taking, or administrative instructions. The total classroom hours, sometimes also referred to as "credit hours," for an approved course will be assigned by the Department in the course approval process.

(5) Title insurance agents who have been licensed for less than one full year prior to the license expiration date are not required to complete the continuing education requirements of this rule.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-10 Continuing Education Providers.

(1) The Commissioner shall approve and authorize providers of continuing education courses and programs, and will designate any such course as being acceptable for the purposes of this chapter. Each such authority holder must apply annually for the continued authority to offer continuing education courses in this state.

(2) The courses or programs of instruction successfully completed which shall be deemed to meet the Commissioner's standards for continuing educational requirements and the number of classroom hours for which they are equivalent are:

(a) Any course or program of instruction or seminar shall, subject to the approval of the Commissioner, qualify for the equivalency of the number of classroom hours assigned thereto by the Commissioner.

(b) Any correspondence or internet course approved by the Commissioner shall qualify for the equivalency of the number of classroom hours assigned thereto by the Commissioner. To be approved, a correspondence or internet course must include an appropriate testing instrument requiring a grade of 70 percent to successfully complete the course. The examination must be administered by a third party proctor, who must sign an affidavit attesting to the fact that the student received no outside assistance in the completion of the final examination. The proctor cannot be a friend, relative, or co-worker of the licensee, nor anyone with a financial interest in the success of the licensee taking the examination.

(3) The commissioner shall not approve a course under this chapter:

(a) That is designed as a prelicensing course required by Section 27-25-4.3(a).

(b) Which deals only with office skills.

(c) Which concerns sales promotion and sales techniques.

(d) Which deals with motivation, psychology or time management.

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(4) Every authorized provider of continuing education courses in this state shall, in accordance with the online process approved by the Commissioner, file a record of all licensees successfully completing each course or program within ten (10) days of the date said course or program is completed. In the case of a correspondence or internet course, this record shall be filed within ten (10) days of the date the provider assigns a grade to the final examination required in subparagraph (2)(b).

(5) At the time of filing its original application for authority as a continuing education course provider, each provider shall pay a filing fee of \$300.00. Each year thereafter, every provider shall pay a renewal fee for the continuation of the authority to offer continuing education courses in this state of \$100.00. This renewal fee shall be paid each year during the renewal period of November 1 to December 31. If the renewal application and fee are not received by December 31, the provider approval and all courses approved for that provider will expire.

(6) At the time of filing for course approval, providers shall pay a course approval filing fee of \$50.00 for each education course or program to be offered in this state. Once approved, no additional filing shall be required for a particular course or program unless the course materially changes. Please note that should the provider authority expire as indicated above, all courses approved for that provider will also expire. Should the provider again become authorized, all courses must be submitted for approval and the course approval fee indicated above must be paid for each such course.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.11 Appointments.

(1) All title insurance agents, including individuals and business entities, must be appointed by any and all title insurers they represent.

(2) All appointments are handled on-line through NIPR.

(3) The notice of appointment shall be completed by the insurer within 15 days from the date the agency contract is executed or the first insurance application is submitted, whichever occurs first.

(4) Insurers may terminate an appointment at any time, subject to the appointee's contract rights, if any. If a licensee wishes to cancel an insurer appointment, the licensee should request the insurer to cancel the appointment. All appointment cancellations are handled on-line through NIPR.

(5) Insurers shall comply with the appointment continuation requirements set forth in Chapter 482-1-109.

(6) The fees associated with appointments are as follows:

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- (a) Notice of appointment fee, per agent per company, as required by Section 27-25-4.7(a)(2)a \$30.00
- (b) Annual continuation of appointment fee, per agent per company, as required by Section 27-25-4.7(a)(2)b \$10.00

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.12 Compliance.

(1)(a) Every title insurance agent subject to this chapter shall complete an application for license renewal in accordance with Rule 482-1-148-.08.

(b) The license of any individual or business entity title insurance agent failing to complete the application for license renewal within the time specified in paragraph (2) of Rule 482-1-148-.08 will expire but there is a 30-day grace period following the expiration during which time the licensee can renew with payment of the late fee plus the renewal fee. If the licensee shall complete the application for license renewal prior to the end of said 30-day grace period, along with the payment of the applicable fees, the license will not expire.

(2) Any licensee completing an application for license renewal in accordance with paragraph (1) above but failing to meet the educational requirements imposed by this chapter within the times set forth in this chapter will not be renewed until the licensee shall have complied with the educational requirements of this chapter.

(3) If the licensee has complied with the educational requirements of Rule 482-1-148-.10 and has otherwise complied with this chapter, the license will be renewed.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.13 Effect of Disciplinary Actions.

(1) The willful violation of any material provision of this chapter may subject a licensee to an administrative proceeding.

(2) By means of a settlement agreement and consent order, or by order issued after other appropriate administrative proceedings, an applicant may be issued a license on a probationary basis or an existing licensee may be placed on probation for a specified period of time or until certain specified conditions are complied with. A licensee on probation is allowed to become or remain licensed and to renew an existing license, as applicable, if the licensee has complied or is complying with the conditions specified in

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the settlement agreement, consent order, or other order imposing the probation during the stated term of the probation. During the term of the probation, the licensee remains subject to all applicable requirements of the Insurance Code, including, but not limited to, requirements concerning continuing education and license renewal. If so stated in the settlement agreement and consent order or in the order imposing the probation, failure to comply with the conditions set forth in the probation order may result in the immediate suspension or revocation of the license without further administrative proceedings.

(3) By means of a settlement agreement and consent order, or by order issued after other appropriate administrative proceedings, the license of a licensee may be suspended for either a specified period of time or until certain specified conditions are complied with subject to the following:

(a) During the term of the suspension, the licensee may not engage in any actions or activity for which the license is required, but remains subject to all applicable requirements of the Insurance Code, including, but not limited to, requirements concerning continuing education.

(b) A suspended license may not be renewed if the renewal date occurs during the suspension term.

(c) A suspension is lifted upon expiration of its term or, if based on compliance with specified conditions, by an order issued upon the licensee's showing that the conditions have been met or complied with, or by an order issued after consideration of an application to lift the suspension has been submitted by the licensee. Upon lifting of the suspension, the license is deemed reinstated unless the license has expired or has otherwise terminated during the suspension term.

(d) If the license has expired or otherwise terminated during the suspension term less than twelve (12) months before the date on which the suspension is lifted, the licensee may immediately apply for a license without complying with any applicable prelicensing course and examination requirements but will be subject to any applicable continuing education requirements. If over twelve (12) months have elapsed between the expiration or other termination of the license and lifting of the suspension, the licensee must comply with any applicable prelicensing course and examination requirements prior to applying for the license.

(4) By means of a settlement agreement and consent order, or by order issued after other appropriate administrative proceedings, the license of a licensee may be revoked subject to the following:

(a) The Commissioner's acceptance of a "voluntary surrender" of a license in lieu of administrative proceedings to revoke the license is deemed a revocation for purposes of this section irrespective of whether the settlement agreement and consent order or other order, or information provided by the Department to the NAIC, characterizes the action as a "revocation."

(b) From and after the date of revocation, the licensee may not engage in any actions or activity for which the license is required.

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(c) A person whose license has been revoked must apply to the Commissioner for permission to apply for any form of license issued through the Department. Such application cannot be made before expiration of the later to occur of two (2) years after the revocation date or such longer period as may be specified in the revocation order. The application may be in the form of a letter addressed to the Commissioner with such attachments as the applicant may deem appropriate. Whether to grant such permission is at the sole discretion of the Commissioner and is dependent upon the receipt of satisfactory proof that the applicant has complied with such conditions for seeking a license, if any, specified in the revocation order, the conditions which led to the revocation have been corrected, and the possibility of recurrence of the conditions has been substantially mitigated or eliminated and should no longer be used to prevent the reapplication for license.

(d) If satisfied that reasons for the revocation are no longer present and should not be used to prevent the applicant from again becoming licensed, the Commissioner shall issue an order authorizing the applicant to again apply for a license. The applicant must comply with any applicable prelicensing course and examination requirements as if the applicant is initially applying for a license prior to applying for the license.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.14 **Transitory provisions.**

(1) Replacement Licenses.

(a) In accordance with Section 27-25-4.8(b), each title insurance agent certificate of authority existing on December 31, 2012, will be renewed in accordance with Chapter 482-1-109, a replacement title insurance agent license will be issued to the agent and a title insurance agent appointment will be entered appointing the agent by the company. The replacement license will authorize the title insurance agent to continue to issue title insurance policies in the same manner as permitted in Section 27-25-4 prior to the amendments by Act 12-397.

(b) The replacement license described in paragraph (a) is valid for up to six months, during which time the agent must apply for a new license. Upon issuance of a new title insurance agent license, the appointment will be transferred to the new license. The title insurer will not have to pay another appointment fee when the replacement license is swapped for the new license, but will pay for any new agents licensed under the new law.

(2) Fingerprinting.

(a) In accordance with Section 27-25-4.8(e), the Commissioner can delay enforcement of the fingerprinting requirement for up to 24 months following January 1, 2013, to allow for implementation.

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(b) A separate regulation will be promulgated to provide the requirements and procedures for fingerprinting.

(3) Temporary Title Insurance Agent License.

(a) In accordance with Section 27-25-4.8(f), until such time as the title insurance agent examination is implemented, any individual qualified for a title insurance agent license except as to the prelicensing course and examination requirements set forth in this Chapter, may be issued a temporary title insurance agent license.

(b) The individual will complete licensing process as set forth in Rule 482-1-148-.07, but will indicate the individual has not passed the examination.

(c) If approved, the temporary title insurance agent license will be valid for a period of time not to exceed three months following implementation of the title insurance agent examination.

(d) If necessary according to the renewal schedule set forth in Rule 482-1-148-.08, a temporary title insurance agent license may be renewed once.

(e) Temporary title insurance agents will be provided advance notice of the examination implementation date.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013

482-1-148-.15 Severability and Effective Date.

(1) If any rule or portion of a rule or its applicability to any person or circumstance is held invalid by a court, the remainder of this chapter or the applicability of the provision to other persons or circumstances shall not be affected.

(2) This chapter shall become effective January 1, 2013, 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 §§ 27-25-4, et seq. (2012) & 27-25-8 (2001)

History: New October 18, 2012, effective January 1, 2013