

ALABAMA INSURANCE REGULATION
CHAPTER 482-1-111

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 Alabama 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 Alabama 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,

ALABAMA INSURANCE REGULATION
CHAPTER 482-1-111

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: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-7-43

History: New: April 19, 1995; effective May 1, 1995. Revised: February 28, 2000; effective March 9, 2000. Revised: September 19, 2002; effective September 29, 2002. Amended: June 11, 2024; effective July 1, 2024.