

**ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION**

CHAPTER 482-1-107

REINSURANCE INTERMEDIARIES

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482-1-107-.01 Authority. This chapter is promulgated by the Commissioner of Insurance pursuant to Section 27-2-17, Code of Alabama 1975, and Section 27-5A-12, Code of Alabama 1975 (Section 12 of Act No. 93-673, S.12, 1993 Regular Session).

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17, 27-5A-12

History: New August 1, 1994, Effective August 11, 1994

482-1-107-.02 Purpose. This chapter provides the procedures to be followed in the implementation and administration of the Alabama Reinsurance Intermediary Act, found at Sections 27-5A-1 through 27-5A-13, Code of Alabama 1975 (Act No. 93-673, S.12, 1993 Regular Session), regarding who must file, when to file, what must be filed annually, and the applicable forms and fees.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17, 27-5A-12

History: New August 1, 1994, Effective August 11, 1994

482-1-107-.03 Who Must File.

(1) The following must be licensed in this state as a reinsurance intermediary:

(a) Any person, firm, association or corporation acting as a reinsurance intermediary broker (RB) in this state, if the RB maintains an office (either directly or as a member or employee of a firm or association, or an officer, director or employee of a corporation):

1. In this state, unless the RB is licensed and appointed as an insurance producer of the reinsurer in this state or is a licensed insurance broker in this state.

2. In another state, unless the RB is licensed and appointed as an insurance producer of the reinsurer in this state, or is a licensed insurance broker in this state, or is a licensed insurance producer, broker or reinsurance intermediary in another state having a law substantially similar to the Alabama Reinsurance Intermediary Act.

(b) Any person, firm, association or corporation acting as a reinsurance intermediary manager (RM):

1. For a reinsurer domiciled in this state, unless the RM is licensed and appointed as an insurance producer of the reinsurer in this state.

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2. In this state, if the RM maintains an office (either directly or as a member or employee of a firm or association, or an officer, director or employee of a corporation) in this state, unless the RM is licensed and appointed as an insurance producer of the reinsurer in this state.

3. In another state for a nondomestic reinsurer (which is a duly licensed insurer in this state), unless the RM is licensed and appointed as an insurance producer of the reinsurer in this state, or is a licensed insurance producer or reinsurance intermediary in another state having a law substantially similar to the Alabama Reinsurance Intermediary Act.

(2) Licensed attorneys at law of this state, when acting in their professional capacity, shall be exempt from this chapter.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17, 27-5A-12

History: New August 1, 1994, Effective August 11, 1994

482-1-107-.04 Filings Required for Reinsurance Intermediary License.

(1) In order to obtain a license as a reinsurance intermediary, one must complete and file an application Form AL-RI-1. This form must list all information requested, including, but not limited to, the name, address and telephone number of each individual who will be acting on behalf of the reinsurance intermediary under the license. Attached to Form AL-RI-1 shall be the following exhibits, if applicable:

(a) If an application for license as a RM, a copy of a fidelity bond from an insurer acceptable to the Commissioner for the protection of each reinsurer represented in the minimum amount of one hundred thousand dollars (\$100,000) with no deductible and which must have a discovery period of at least one (1) year.

(b) A copy of the RM's errors and omissions liability policy from a company acceptable to the Commissioner, with coverage limits in the minimum amount of one million dollars (\$1,000,000).

(c) A nonresident applying for a license as a reinsurance intermediary must appoint the Alabama Commissioner of Insurance as the licensee's agent for service of process, which is included on the Form AL-RI-1.

(2) A reinsurance intermediary license may be renewed by filing Form AL-RI-1 on or before January 1 of each year.

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Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17, 27-5A-12

History: New August 1, 1994, Effective August 11, 1994

482-1-107-.05 Forms and Fees.

(1) Forms. The form referred to in this chapter (AL-RI-1) is attached hereto as Exhibit 1, may be freely copied or may be obtained from the Department of Insurance, Producer Licensing Division.

(2) Fees. An application filed pursuant to this chapter shall be accompanied by the fees set forth in Section 27-4-2(a)(6), Code of Alabama 1975, as follows:

(a) These fees will be charged for the initial filing of the Application Form (AL-RI-1): A check or money order in the amount of \$170.00, representing an application fee of \$20.00, a license fee of \$50.00, and an examiner's fee of \$100.00. An application will be returned without processing if not accompanied by the fees as indicated above.

(b) These fees will be charged for the renewal filing of the Application Form (AL-RI-1): A check or money order in the amount of \$100.00, representing the annual continuation of license fee of \$50.00 and an examiner's fee of \$50.00. The certification will be returned without processing if not accompanied by the fees as indicated above.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17, 27-5A-12

History: New August 1, 1994, Effective August 11, 1994

482-1-107-.06 Retaliatory Provisions. Pursuant to Section 27-3-29, Code of Alabama 1975, if an applicant's state of domicile imposes any taxes, licenses or other fees, in the aggregate, or deposit requirements or other material obligations, prohibitions or restrictions in excess of the licenses or other fees, in the aggregate, or other material obligations set forth in this chapter, the same taxes, licenses or other fees, deposit requirements and other material obligations, prohibitions and restrictions shall be imposed on the applicant.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17, 27-5A-12

History: New August 1, 1994, Effective August 11, 1994

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482-1-107-.07 Effective Date. This chapter shall become effective ten (10) days from the date of certification that the properly executed chapter was delivered to the Secretary of State.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17, 27-5A-12

History: New August 1, 1994, Effective August 11, 1994

13. Complete the following if the reinsurance intermediary intends to act as a reinsurance intermediary manager (RM):

- A. List the reinsurer(s) for which the RM will act: Give the full name of reinsurer, NAIC number, state of domicile and federal employer identification number (FEIN) (attach additional pages if necessary):

Name of Reinsurer	NAIC #	State of Domicile	FEIN

B. Attach a copy of each fidelity bond of the RM for the protection of each reinsurer named in 8A above (minimum \$100,000, no deductible, with discovery period of at least one year (non-residents see also Section II of this application).

C. Attach a copy of the RM’s errors and omissions policy (\$1,000,000 minimum limits (non-residents see also Section II of this application).

Please read the following very carefully and answer every question:

14. Has the business entity or any owner, partner, officer or director ever been convicted of, or is the business entity or any owner, partner, officer or director currently charged with, committing a crime, whether or not adjudication was withheld? Yes ___ No ___
 “Crime” includes a misdemeanor, felony or a military offense. You may exclude misdemeanor traffic citations and juvenile offenses.
 “Convicted” includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, or having been given probation, a suspended sentence or a fine.

If you answer yes, you must attach to this application:

- a) a written statement explaining the circumstances of each incident,
- b) a copy of the charging document, and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment

15. I am familiar with the federal law (18 U.S.C. 1033) which prohibits anyone who has been convicted of a felony involving dishonesty or a breach of trust from conducting the business of insurance and understand that it is a violation of this statute to willfully permit a prohibited person from conducting the business of insurance. Yes ___ No ___

16. Has the business entity or any owner, partner, officer or director ever been involved in an administrative proceeding regarding any professional or occupational license? Yes ___ No ___

“Involved” means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, placed on probation or surrendering a license to resolve an administrative action. “Involved” also means being named as a party to an administrative or arbitration proceeding which is related to a professional or occupational license. “Involved” also means having a license application denied or the act of withdrawing an application to avoid a denial. You may exclude terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

If you answer yes, you must attach to this application:

- a) a written statement identifying the type of license and explaining the circumstances of each incident,
- b) a copy of the Notice of Hearing or other document that states the charges and allegations, and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.

17. Has any demand been made or judgment rendered against the business entity or any owner, partner, officer or director for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding? Yes ___ No ___

If you answer yes, you must submit a statement summarizing the details of the indebtedness and arrangements for repayment, and/or type and location of bankruptcy, including in your statement whether the judgment, lien or bankruptcy involves the business of insurance and also attach your sworn affidavit confirming that your bankruptcy was not insurance related.

18. Has the business entity or any owner, partner, officer or director ever been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement? Yes ___ No ___

If you answer yes, identify the jurisdiction(s): _____

19. Is the business entity or any owner, partner, officer or director a party to, or ever been found liable in any lawsuit or arbitration proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty? Yes ___ No ___

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident,
- b) a copy of the Petition, Complaint or other document that commenced the lawsuit or arbitration, and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.

20. Has the business entity or any owner, partner, officer or director ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct? Yes ___ No ___

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and
- b) copies of all relevant documents.

NOTE: If the answer to any part of Question 14-20 is “yes”, you attach a supplementary statement explaining in full each such occurrence.

ALL APPLICANTS MUST COMPLETE THIS PORTION IN THE PRESENCE OF A NOTARY PUBLIC

I, _____ under penalty of perjury as set out in the Criminal Chapter of
(Type name of Applicant or of Duly Authorized Representative)
the Code of Alabama, 1975, hereby swear or affirm that all answers and responses to questions and inquiries contained in this application are true and correct and complete answers and responses herein are to be considered by the Commissioner of Insurance as material to the execution of his duties under the Alabama Insurance Code in his decision upon this application and that I have read and am familiar with the sections of the Alabama Insurance Code setting forth the qualifications for the license for which I am making this application and that I am withholding no information which would affect my qualification for this license for which I am making application.

If not signed by individual Applicant, complete the following as to the duly authorized representative:

_____	_____
Original signature of Applicant (if an individual) or of Duly authorized Representative (if not an individual)	Title
_____	_____
Typed Name of Applicant or of Duly Authorized Representative	Mailing Address
_____	_____
	City, State, Zip
_____	_____
	Telephone

STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, personally appeared _____
(Name of Individual or of Duly Authorized Representative)
who is known to me and who acknowledged before me that he/she signed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, this _____ day of _____, 20____.

(NOTARY SEAL)

Notary Public (Original Signature)
My Commission Expires: _____

SECTION II (TO BE COMPLETED BY ALL NON-RESIDENT APPLICANTS)

RETALIATORY FEES AND OBLIGATIONS

- | | | | | |
|--------------------------------------------------------------------------------------------|--------------------------|----------|--------------|----------|
| A. Aggregate Fees an Alabama Reinsurance Intermediary would owe in your State of Domicile: | Initial Application Fees | \$ _____ | Renewal Fees | \$ _____ |
| B. Aggregate Fees in Alabama: | Initial Application Fees | \$170.00 | Renewal Fees | \$100.00 |
| C. Difference (if less than Zero enter "0"): | | \$ _____ | | \$ _____ |

If the total taxes and fees an Alabama Reinsurance Intermediary would owe your state of domicile is higher than the aggregate taxes and fees in Alabama, please attach an additional check for the amount shown on line C above (either initial application or renewal).

Additionally, in Alabama a Reinsurance Intermediary Manager (RM) must obtain and provide a copy of a fidelity bond for the protection of each reinsurer represented in the minimum amount of \$100,000 with no deductible and with a discovery period of at least one year, and must provide a copy of the RM's errors and omissions liability policy with coverage limits in the minimum amount of \$1,000,000. If an Alabama Reinsurance Intermediary would be subject to requirements or obligations in your state of domicile in excess of these requirements, you will be subject to the same requirements and obligations in this state.

- Requirements in your state of domicile:
- D. RM Fidelity Bond Minimum Limits: _____
 - E. RM Fidelity Bond Discovery Period: _____
 - F. RM Errors & Omissions Policy Coverage Limit: _____
 - G. Other Requirements (list): _____

AFFIDAVIT REGARDING BANKRUPTCY, JUDGMENTS OR LIENS
(Attach to application only if required in response to Question 17.)

STATE OF _____

COUNTY OF _____

I, _____ under penalty of perjury, do hereby swear or
(Applicant's Name)

affirm the following facts:

1. I declared Bankruptcy or have a judgement or lien against me in the State of

_____ in the year of _____.
(State) (Year)

2. None of the debts were monies owed to insurance companies or policyholders or consumers related to the business of insurance.

Signature of Applicant

Date

Subscribed to and sworn to before me this _____ day of _____, 20____.

Notary Public

My Commission Expires: _____