

**ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION**

CHAPTER 482-1-119

**RESTRICTIONS ON LOANS OBTAINED BY INSURANCE
PRODUCERS FROM THEIR CLIENTS**

TABLE OF CONTENTS

		Page
482-1-119-.01	Authority and Short Title.	2
482-1-119-.02	Purpose.	2
482-1-119-.03	Restrictions on Loans Obtained by Insurance Producers from Their Clients.	2
482-1-119-.04	Definition of Client.	2
482-1-119-.05	Violations.	3
482-1-119-.06	Separability.	3
482-1-119-.07	Effective Date.	3

ALABAMA INSURANCE REGULATION
Chapter 482-1-119

482-1-119-.01 Authority and Short Title. This chapter is adopted pursuant to Sections 27-2-17 and 27-12-21, Code of Alabama 1975.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-12-21

History: New February 18, 2000, Effective July 1, 2000; Revised December 21, 2005, Effective December 31, 2005

482-1-119-.02 Purpose. The purpose of this chapter is to place certain restrictions on loans obtained by insurance producers from their clients.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-12-21

History: New February 18, 2000, Effective July 1, 2000; Revised December 21, 2005, Effective December 31, 2005

482-1-119-.03 Restrictions on Loans Obtained by Insurance Producers from Their Clients. No licensed insurance producer or broker may solicit, obtain or accept a loan from a person who is an existing or former client, except in the case of one of the following:

(a) The person is acting in the capacity as an employee of a lending institution authorized by state or federal law.

(b) The person is individually licensed as a lender according to state or federal law.

(c) There is a written contract establishing the terms for repayment of the loan and the contract is filed with the Legal Division of the Department of Insurance within thirty (30) days of its effective date.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-12-21

History: New February 18, 2000, Effective July 1, 2000; Revised December 21, 2005, Effective December 31, 2005

482-1-119-.04 Definition of Client. CLIENT. For the purposes of this chapter, “client” means any person who has purchased insurance from the producer or broker or who has been solicited for the purchase of insurance from the producer or broker, but does not include the relatives of the producer or broker, by blood or marriage, to the third degree of kinship.

ALABAMA INSURANCE REGULATION
Chapter 482-1-119

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-12-21

History: New February 18, 2000, Effective July 1, 2000; Revised December 21, 2005, Effective December 31, 2005

482-1-119-.05 Violations. A violation of this chapter shall be considered by the Commissioner to be a deceptive practice and the Commissioner may commence a proceeding pursuant to Section 27-12-21, Code of Alabama 1975. A violation of this chapter may also support an action for the suspension or revocation of the license of producer or broker in accordance with Section 27-7-19, Code of Alabama 1975.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-12-21

History: New February 18, 2000, Effective July 1, 2000; Revised December 21, 2005, Effective December 31, 2005

482-1-119-.06 Separability. If any provision of this chapter or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the chapter and the application of its provisions to other persons or circumstances shall not be affected thereby.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-12-21

History: New February 18, 2000, Effective July 1, 2000; Revised December 21, 2005, Effective December 31, 2005

482-1-119-.07 Effective Date. This chapter shall be effective upon its approval by the Commissioner of Insurance, and upon its having been on file as a public document in the office of the Secretary of State for ten (10) days.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, §§ 27-2-17 & 27-12-21

History: New February 18, 2000, Effective July 1, 2000; Revised December 21, 2005, Effective December 31, 2005