



ROBERT BENTLEY
GOVERNOR

JIM L. RIDLING
COMMISSIONER

STATE OF ALABAMA
DEPARTMENT OF INSURANCE
201 MONROE STREET, SUITE 502
POST OFFICE BOX 303351
MONTGOMERY, ALABAMA 36130-3351

TELEPHONE: (334) 269-3550
FACSIMILE: (334) 241-4192
INTERNET: www.aldoi.gov

DEPUTY COMMISSIONER
CHARLES M. ANGELL (acting)

CHIEF OF STAFF
RAGAN INGRAM

CHIEF EXAMINER
RICHARD L. FORD

STATE FIRE MARSHAL
EDWARD S. PAULK

GENERAL COUNSEL
REYN NORMAN

BULLETIN NO. 2012-01

TO: All insurers authorized in Alabama

FROM: Jim L. Ridling
Commissioner of Insurance 

DATE: January 12, 2012

RE: Use of temporary insurance producer licenses

EFFECTIVE: Immediate, except for disclosure requirement effective March 1, 2012

Ala. Code § 27-7-24 grants the Commissioner of Insurance discretionary authority to issue temporary insurance producer licenses to persons who are qualified for licensure but have not completed a pre-licensing course or passed a licensing examination. Appointment by an insurer is a condition for the validity of a temporary license.

This Bulletin is required because of continuing issues concerning temporary licenses. Insurers that use the temporary license process but fail to adhere to the following may lose the privilege to make future temporary license appointments. In addition, the Commissioner may revisit whether to allow temporary licensing as a general matter.

This Bulletin does not represent any change in Department position and is immediately effective except as to the disclosure requirement in paragraph (4), which is effective on **March 1, 2012**.

1. A person may hold a temporary license in a line of authority for a maximum of six (6) months during his or her lifetime. The six (6) month limitation refers to a single period or the aggregate of several periods during which the individual holds a temporary license in that line and is appointed by an insurer. A producer whose insurer appointment in a line of authority lasts for less than six (6) months may subsequently hold a temporary license in that line with an insurer appointment for the balance of the six (6) months.

2. The Department will rely on its license and appointment records to determine the length of time an individual has held a temporary license in a line of authority for purposes of the six (6) month limitation. The Department will not accept or act on insurer representations that a producer's past appointment terminated earlier than as shown in the Department's records, the producer did not earn commissions while appointed, or similar claims not established, or capable of being established, by the Department's records.

3. An insurer appointing a temporary producer shall terminate the producer's appointment through the Department within five (5) business days after the date on which the producer's employment with the insurer terminates, whether voluntarily by producer decision or involuntarily by the insurer's decision.

4. Effective on **March 1, 2012**, each insurer using temporary licenses shall have a prospective temporary licensee sign a disclosure in the attached form before application is made for the license. This requirement applies to new applicants as well as each individual who previously held a temporary license and is seeking a license and appointment for the balance of the unused six (6) month license period. A copy of the signed disclosure shall be provided to the applicant and the original signed disclosure shall be retained by the insurer and made available to the Department incident to an examination or upon request.

5. A temporary license is intended to allow the holder time to work with the appointing insurer in the business of insurance while completing the pre-licensing course and examination(s) required for a permanent license. Each insurer using temporary licenses is expected to oversee a temporary licensee's training to the end of having the licensee complete the pre-licensing course and apply for the examination(s) during the term of the license, and to otherwise supervise the licensee's activities in the business of insurance.

JLR/JFM/bc

Attachment – ALDOI form T-1



**ALABAMA DEPARTMENT OF INSURANCE
TEMPORARY LICENSE DISCLOSURE FORM**

My signature below shows that I understand the following:

I may hold a Temporary License in a single line of authority for a combined total period of six (6) months in my lifetime. When that six (6) month period is used up, I cannot again have a Temporary License in that same line of authority.

I must have an insurance company appointment to use a Temporary Producer License. If I or the appointing company cancels the appointment before the six (6) month period is used up, I can receive another Temporary License and appointment for any time remaining on the six (6) months.

The point of a Temporary License is to give me time to work under the supervision of an insurer while completing the prelicensing course and signing up for the examination needed for a permanent insurance Producer license.

I am applying for an Alabama TEMPORARY PRODUCER LICENSE. An insurance company may use information I have given it to submit the application on my behalf.

Signed: _____

Print Name: _____

Date: _____