

**ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION**

CHAPTER 482-1-078

**NAMED PAYEE ON CHECKS WRITTEN FOR
PREMIUMS AND RECEIPTS THEREFOR**

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482-1-078-.01 Authority. The chapter is made and promulgated by the undersigned Commissioner of Insurance pursuant to the authority set forth in Section 27-2-17, et al., Code of Alabama 1975.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, § 27-2-17, et al.

History: New November 14, 1986; Effective February 14, 1987

482-1-078-.02 Purpose. The purpose of this chapter is to provide for the insurer to be the named payee on checks written for premiums and annuity considerations; to prohibit an agent or agency from being named as the payee; and to require agents to provide receipts for premium and annuity consideration checks they collect with applications.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, § 27-2-17, et al.

History: New November 14, 1986; Effective February 14, 1987; Revised June 11, 2009; Effective July 1, 2009.

482-1-078-.03 Scope of Regulation. This chapter shall be applicable to individual policies of life, accident and health insurance and annuities when the premium payment or annuity consideration is made through an agent. Nothing herein shall apply to policies on which premium payments are paid through direct response sales, financial institutions (a bank holding company, a bank or a subsidiary or employee thereof, situated and doing business in Alabama, where such bank or bank holding company is subject to regulation by the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency of the United States, Federal Deposit Insurance Corporation, or the State Banking Department of the State of Alabama), mortgage bankers, savings and loan associations, savings banks, finance companies or credit unions and employment deductions.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, § 27-2-17, et al.

History: New November 14, 1986; Effective February 14, 1987; Revised June 11, 2009; Effective July 1, 2009.

482-1-078-.04 Named Payee on Premium Checks. All premium checks and annuity considerations shall be made payable to the insurance company or annuity company writing such policy of insurance or annuity. In no instance is an agent allowed to receive

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a premium or annuity consideration check made payable to any person other than the insurer.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, § 27-2-17, et al.

History: New November 14, 1986; Effective February 14, 1987; Revised June 11, 2009; Effective July 1, 2009.

482-1-078-.05 Receipts.

(1) Authorized receipts from the insurance company or its agents writing such policy of insurance or annuity contract shall be given to the applicant, policyholder, or annuitant at the time of receipt of the premium check or annuity consideration.

(2) Such receipt shall be on the insurance company's printed form on file with and approved by the Commissioner of Insurance, and must clearly show the name and address of the company, the date, name of agent, total premium or annuity consideration collected at the time of the giving of such receipt and the type of policy to be issued in consideration of such premium or annuity consideration. Furthermore, the following statement shall be incorporated into the face of said receipt, in bold type: "ALL PREMIUM CHECKS OR ANNUITY CONSIDERATIONS MUST BE MADE PAYABLE TO THE INSURANCE COMPANY - DO NOT MAKE CHECK PAYABLE TO THE AGENT OR LEAVE THE PAYEE BLANK."

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, § 27-2-17, et al.

History: New November 14, 1986; Effective February 14, 1987; Revised June 11, 2009; Effective July 1, 2009.

482-1-078-.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 such provision to other persons or circumstances shall not be affected thereby.

Author: Commissioner of Insurance

Statutory Authority: Code of Alabama 1975, § 27-2-17, et al.

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482-1-078-.07 Effective Date. This chapter shall be effective on February 14, 1987.

Author: Commissioner of Insurance

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