

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance\*

Rule No. Chapter 482-3-002

Rule Title: Preneed Fees and Fines.

New  Amend  Repeal  Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? Yes, 20%

Is the increase in costs, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? No

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

\*\*\*\*\*

Does the proposed rule have an economic impact? Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

\*\*\*\*\*

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it complies with all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer Jim L. Kidling  
Jim L. Kidling  
Commissioner of Insurance

Date: October 20, 2015

Alabama Department of Insurance

**NOTICE OF INTENDED ACTION**

**AGENCY NAME:** Alabama Department of Insurance

**RULE NO. & TITLE:** Chapter 482-3-002: Preneed Fees and Fines.

**INTENDED ACTION:** Amend chapter.

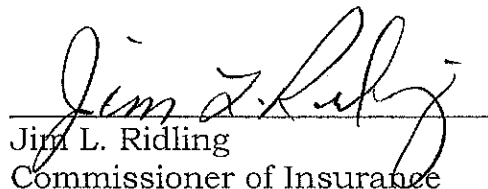
**SUBSTANCE OF PROPOSED ACTION:** The Commissioner of Insurance is proposing to amend an existing regulation which sets various fees as authorized in 2002 in Section 27-17A-11, Code of Alabama 1975, known as the Alabama Preneed Funeral and Cemetery Act. The revisions adjust the fees according to changes in the Consumer Price Index over the last ten years as permitted by Alabama Act No. 2015-441. The proposed effective date of the new regulation is January 1, 2016.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** Interested persons may submit data, views, or arguments in writing at any time prior to December 1, 2015, to the Alabama Department of Insurance, Attention: Legal Division, Post Office Box 303351, Montgomery, Alabama 36130-3351, or orally by appearing at the public hearing, Suite 502, RSA Tower, 201 Monroe Street, Montgomery, Alabama, beginning at 2:00 PM, December 8, 2015.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:**

December 4, 2015

**CONTACT PERSON AT AGENCY:** Reyn Norman  
General Counsel

  
Jim L. Ridling  
Commissioner of Insurance

**ECONOMIC IMPACT STATEMENT  
FOR APA RULE  
(Section 41-22-23(f))**

Control 482 Department or Agency Department of Insurance

Rule No. Chapter 482-3-002

Rule Title: Preneed Fees and Fines.

New       Amend       Repeal       Adopt by Reference

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

Certificate of authority fees are intended to defray the expense of issuing the certificates. Proposed changes are expected to more closely approximate the actual expense to the agency of issuing the certificates.

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

Certificate of authority fees are intended to defray the expense of issuing the certificates. Proposed changes are expected to more closely approximate the actual expense to the agency of issuing the certificates.

3. EFFECT OF THIS RULE ON COMPETITION:

Applicable to all certificate of authority holders, thus should have no effect on competition.

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

Preneed fees are increasing according to changes in the Consumer Price Index, limited to 2% per year for 10 years (a total of 20%), as authorized in Act 2015-441.

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

Should have no effect.

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

All persons subject to the Alabama Preneed Funeral and Cemetery Act.

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THIS RULE:

Preneed fees are increasing by 20%, as follows:

Initial certificate of authority fee, increasing from \$150 to \$180

Annual renewal of certificate of authority fee, increasing from \$75 to \$90

Branch registration fee, initial and renewal, increasing from \$150 to \$180

Transfer of certificate of authority fee, increasing from \$100 to \$120

Preneed sales agent fee, initial and renewal, increasing from \$25 to \$30

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

None known.

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

None.

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

None.

**\*\*Additional pages may be used if needed.**

ALABAMA DEPARTMENT OF INSURANCE  
PRENEED REGULATION

CHAPTER 482-3-002

PRENEED FEES AND FINES

TABLE OF CONTENTS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17

Page

482-3-002-.01	Purpose, Scope and Authority. ....	2
482-3-002-.02	Preneed Fees and Fines. ....	2
482-3-002-.03	<u>Severability and Effective Date.</u> ....	4

1 **482-1-002-.01 Purpose, Scope and Authority.**

2 (1) The purpose of this chapter is to formalize the  
3 practice within the Department of Insurance preceding the  
4 effective date of this chapter and set various fees and fine  
5 amounts authorized in Ala. Code § 27-17A-11 (2002), a part of  
6 the Alabama Preneed Funeral and Cemetery Act, Ala. Code §§ 27-  
7 17A-1, et seq. (2002), adjusted according to Alabama Act No.  
8 2015-441.

9 (2) This chapter shall apply to all persons subject to  
10 the Alabama Preneed Funeral and Cemetery Act.

11 (3) This chapter is adopted pursuant to Ala. Code §§ 27-  
12 2-17 (1975) and 27-17A-11 (2002).

13 **Author:** Commissioner of Insurance

14 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-17A-11  
15 (2002)

16 **History:** New October 18, 2012, effective October 28, 2012;  
17 Revised \_\_\_\_\_, Effective January 1, 2016

18 **482-3-002-.02 Preneed Fees and Fines.** The following fees and  
19 fines are hereby established and confirmed:

20 (a) Initial certificate of authority fee, as  
21 permitted in Ala. Code § 27-17A-11(d)(1) (2002) .... ~~\$150~~ 180

1 (b) Annual renewal of certificate of authority  
2 fee, as permitted in Ala. Code § 27-17A-11(d) (1)  
3 (2002) ..... ~~\$75~~ \$90

4 (c) Branch registration fee, initial and annual  
5 renewal, as permitted in Ala. Code § 27-17A-11(d) (2)  
6 (2002) ..... ~~\$150~~ \$180

7 (d) Fine for each day the certificate holder  
8 fails to file its annual statement, as permitted in  
9 Ala. Code § 27-17A-11(h) (2002) ..... \$50

10 (e) Transfer of certificate of authority fee, as  
11 permitted in Ala. Code § 27-17A-11(j) (2002) ..... ~~\$100~~ \$120

12 (f) Fine for each day the certificate holder  
13 fails to file its statement of activities of the  
14 trust, as permitted in Ala. Code § 27-17A-11(h) (2002)  
15 ..... \$50

16 (g) Transfer of certificate of authority fee, as  
17 permitted in Ala. Code § 27-17A-11(j) (2002) ..... ~~\$100~~ \$120

18 (h) Preneed sales agent application fee, initial  
19 and annual renewal, as permitted in Ala. Code § 27-  
20 17A-18(g) & (j) (2002) ..... ~~\$25~~ \$30

21 **Author:** Commissioner of Insurance  
22 Ala. Code §§ 27-2-17 (1975) & 27-17A-11 (2002)

1 **History:** New October 18, 2012, effective October 28, 2012;  
2 Revised \_\_\_\_\_, Effective January 1, 2016

3 **482-3-002-.03 Severability and Effective Date.**

4 (1) If any rule or portion of a rule or its applicability  
5 to any person or circumstance is held invalid by a court, the  
6 remainder of this chapter or the applicability of the  
7 provision to other persons or circumstances shall not be  
8 affected.

9 (2) This chapter shall become effective upon its approval  
10 by the Commissioner of Insurance and upon its having been on  
11 file as a public document in the office of the Secretary of  
12 State for ten days, and upon its having been on file with the  
13 Legislative Reference Service for 35 days, subject to review  
14 by the Joint Committee on Administrative Regulation Review.

15 **Author:** Commissioner of Insurance

16 **Statutory Authority:** Ala. Code §§ 27-2-17 (1975) & 27-17A-11  
17 (2002)

18 **History:** New October 18, 2012, effective October 28, 2012;  
19 Revised \_\_\_\_\_, Effective January 1, 2016