

**[Alabama Code § 27-2-17, 27-2-19 through 27-2-20.]**

§ 27-2-17, 27-2-19 through 27-2-20: Department and Commissioner of Insurance --  
General Provisions

§ 27-2-17. Rules and regulations

- (a) The commissioner may make reasonable rules and regulations necessary for the effectuation of any provision of this title. No such rule or regulation shall extend, modify, or conflict with any law of this state or the reasonable implications thereof.
- (b) Any such rule or regulation affecting persons or matters other than the personnel or the internal affairs of the commissioner's office shall be made or amended only after a hearing thereon of which notice was given as required by Section 27-2-29. If reasonably possible the commissioner shall set forth the proposed rule, regulation, amendment, or summary in or with the notice of hearing.
- (c) No such rule or regulation as to which a hearing is required under subsection (b) of this section above shall be effective until after it has been on file as a public record in the commissioner's office and in the office of the Secretary of State for at least 10 days.
- (d) Upon request and payment of the reasonable cost thereof, if required and fixed by the commissioner, the commissioner shall furnish a copy of any such rule or regulation to any person so requesting.
- (e) The willful failure to comply with or willful violation of any material provision of a rule or regulation may be treated by the commissioner in the same manner as the willful failure to comply with or willful violation of any material provision of this title, but such action taken by the commissioner shall not be in the nature of a criminal penalty and shall be limited to suspension or revocation of licenses of agents or insurers doing business in Alabama.

§ 27-2-19. Enforcement of insurance code

The commissioner may institute such actions or other proceedings as may be required for enforcement of any provisions of this title. If the commissioner has reason to believe that any person has violated any provision of this title for which criminal prosecution would be in order, he shall give the information relative thereto to the Attorney General or the district attorney having jurisdiction of any such violation. The Attorney General shall promptly institute such action or proceeding against such person as the information may require or justify.

§ 27-2-20. Examinations – powers generally

- (a) If he has reason to believe that any such person has violated or is violating any provision of this title or upon complaint by any resident of this state indicating that any such violation may exist, the commissioner may examine the accounts, records, documents, and transactions pertaining to or affecting the insurance affairs of any:

- (1) General agent, agent, broker, surplus line broker, solicitor, or adjuster;
  - (2) Person having a contract or power of attorney under which he enjoys in fact the exclusive or dominant right to manage or control an insurer; or
  - (3) Person engaged in or proposing to be engaged in or assisting in the promotion or formation of a domestic insurer, insurance holding corporation, or corporation to finance a domestic insurer or the production of its business.
- (b) The commissioner may examine the insurance affairs and transactions of the attorney-in-fact of a reciprocal insurer in the same manner and on the same basis as examination of such an insurer.
- (c) When he deems it necessary for determination of the value of such securities or compliance with any provision of this title, the commissioner may, in his discretion, examine the transactions and affairs of any corporation of which a domestic insurer owns shares of stock or other securities under which it has, or effectively participates in, the control of such corporation.