535-X-15-.01  Purpose

The purpose of this rule is to ensure that manufacturers, retailers, and installers are adequately bonded and insured to assist homeowners in situations when a manufacturer, retailer, or installer has gone out of business or failed to meet their legal or regulatory responsibility to the consumer.

Author: Jim Sloan

535-X-15-.02  Definitions

(1) General Liability Insurance – A form of insurance that indemnifies against liability on account of injury to the person or property of another.

Author: Jim Sloan
535-X-15-.03 Bonding And Insurance Requirements. To obtain licensure, manufacturers, retailers, and installers must hold a valid bond and general liability insurance coverage as follows:

<table>
<thead>
<tr>
<th>Who</th>
<th>*Bond</th>
<th>Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturer</td>
<td>25K per Licensed Facility</td>
<td>1 M</td>
</tr>
<tr>
<td></td>
<td>or a minimum of 100K</td>
<td></td>
</tr>
<tr>
<td>Retailer</td>
<td>25K for 1 to 3 Facilities</td>
<td>500K</td>
</tr>
<tr>
<td>Installer</td>
<td>20K</td>
<td>100K</td>
</tr>
</tbody>
</table>

*After a periodic review of valid claims, the Commission may decrease or increase the bond requirements.

Author: Jim Sloan

535-X-15-.04 Bond Claims. The Commission shall have the administrative authority to validate and determine the responsible parties for any bond claims.

Author: Jim Sloan

535-X-15-.05 Administrative Cost. The Commission may establish a schedule of fees to pay the cost of implementing and enforcing these regulations.

Author: Jim Sloan

535-X-15-.06 Penalties And Appeals.

(1) Failure to comply with this chapter may result in the suspension or revocation of the licensee’s license to manufacture,
sell, or install homes in Alabama and a fine in an amount not to exceed $1000 for each violation or both.

(2) An appeal for a hearing may be filed in accordance with the procedures in Chapter 535-X-12-.08(2).

Author: Jim Sloan