

## **SOUTH CAROLINA STATE REGISTER DISCLAIMER**

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# SOUTH CAROLINA STATE REGISTER

PUBLISHED BY  
THE LEGISLATIVE COUNCIL  
of the  
GENERAL ASSEMBLY

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This issue contains notices, proposed regulations, emergency regulations, final form regulations, and other documents filed in the Office of the Legislative Council, pursuant to Article 1, Chapter 23, Title 1, Code of Laws of South Carolina, 1976.

# ***SOUTH CAROLINA STATE REGISTER***

An official state publication, the *South Carolina State Register* is a temporary update to South Carolina's official compilation of agency regulations--the *South Carolina Code of Regulations*. Changes in regulations, whether by adoption, amendment, repeal or emergency action must be published in the *State Register* pursuant to the provisions of the Administrative Procedures Act. The *State Register* also publishes the Governor's Executive Orders, notices or public hearings and meetings, and other documents issued by state agencies considered to be in the public interest. All documents published in the *State Register* are drafted by state agencies and are published as submitted. Publication of any material in the *State Register* is the official notice of such information.

## **STYLE AND FORMAT**

Documents are arranged within each issue of the *State Register* according to the type of document filed:

**Notices** are documents considered by the agency to have general public interest.

**Notices of Drafting Regulations** give interested persons the opportunity to comment during the initial drafting period before regulations are submitted as proposed.

**Proposed Regulations** are those regulations pending permanent adoption by an agency.

**Pending Regulations Submitted to the General Assembly** are regulations adopted by the agency pending approval by the General Assembly.

**Final Regulations** have been permanently adopted by the agency and approved by the General Assembly.

**Emergency Regulations** have been adopted on an emergency basis by the agency.

**Executive Orders** are actions issued and taken by the Governor.

## **2009 PUBLICATION SCHEDULE**

Documents will be accepted for filing on any normal business day from 8:30 A.M. until 5:00 P.M. All documents must be submitted in the format prescribed in the *Standards Manual for Drafting and Filing Regulations*.

To be included for publication in the next issue of the *State Register*, documents will be accepted no later than 5:00 P.M. on any closing date. The modification or withdrawal of documents filed for publication must be made **by 5:00 P.M.** on the closing date for that issue.

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Submission Deadline	1/9	2/13	3/13	4/10	5/8	6/12	7/10	8/14	9/11	10/9	11/13	12/11
Publishing Date	1/23	2/27	3/27	4/24	5/22	6/26	7/24	8/28	9/25	10/23	11/27	12/25

## REPRODUCING OFFICIAL DOCUMENTS

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## PUBLIC INSPECTION OF DOCUMENTS

Documents filed with the Office of the State Register are available for public inspection during normal office hours, 8:30 A.M. to 5:00 P.M., Monday through Friday. The Office of the State Register is in the Legislative Council, Fourth Floor, Rembert C. Dennis Building, 1000 Assembly Street, in Columbia. Telephone inquiries concerning material in the *State Register* or the *South Carolina Code of Regulations* may be made by calling (803) 212-4500.

## ADOPTION, AMENDMENT AND REPEAL OF REGULATIONS

To adopt, amend or repeal a regulation, an agency must publish in the *State Register* a Notice of Drafting; a Notice of the Proposed Regulation that contains an estimate of the proposed action's economic impact; and, a notice that gives the public an opportunity to comment on the proposal. If requested by twenty-five persons, a public hearing must be held at least thirty days after the date of publication of the notice in the *State Register*.

After the date of hearing, the regulation must be submitted to the General Assembly for approval. The General Assembly has one hundred twenty days to consider the regulation. If no legislation is introduced to disapprove or enacted to approve before the expiration of the one-hundred-twenty-day review period, the regulation is approved on the one hundred twentieth day and is effective upon publication in the *State Register*.

## EMERGENCY REGULATIONS

An emergency regulation may be promulgated by an agency if the agency finds imminent peril to public health, safety or welfare. Emergency regulations are effective upon filing for a ninety-day period. If the original filing began and expired during the legislative interim, the regulation can be renewed once.

## REGULATIONS PROMULGATED TO COMPLY WITH FEDERAL LAW

Regulations promulgated to comply with federal law are exempt from General Assembly review. Following the notice of proposed regulation and hearing, regulations are submitted to the *State Register* and are effective upon publication.

## EFFECTIVE DATE OF REGULATIONS

**Final Regulations** take effect on the date of publication in the *State Register* unless otherwise noted within the text of the regulation.

**Emergency Regulations** take effect upon filing with the Legislative Council and remain effective for ninety days. If the original ninety-day period begins and expires during legislative interim, the regulation may be refiled for one additional ninety-day period.

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 South Carolina General Assembly Home Page: [www.scstatehouse.net/regnsrch.htm](http://www.scstatehouse.net/regnsrch.htm)

DOC NO.	RAT NO.	FINAL ISSUE	SUBJECT	EXP. DATE	AGENCY
3202			Requirements for Licensure as a Physical Therapist	2/11/09	LLR - Board of Physical Therapy Examiners
3201			Mobile Dental Facilities and Portable Dental Operations	2/12/09	LLR - Board of Dentistry
3196			S.C. National Guard College Assistance Program	3/03/09	Commission on Higher Education
3206			Application, Renewal and Continuing Education	3/11/09	LLR - Board of Chiropractic Examiners
3207			Board of Veterinary Medical Examiners Chapter Revision	3/11/09	LLR - Bd of Veterinary Medical Examiners
3204			Licensing Standards for Continuing Care		
			Retirement Communities	3/12/09	Department of Consumer Affairs
3199			South Carolina Trauma Care Systems	3/12/09	Department of Health and Envir Control
3209			Operation of Public Pupil Transportation Services	4/07/09	State Board of Education
3214			Fire Prevention and Life Safety	4/22/09	LLR - Office of State Fire Marshal
3215			Fire Prevention and Life Safety for Special Occupancies	4/22/09	LLR - Office of State Fire Marshal
3216			Explosives	4/22/09	LLR - Office of State Fire Marshal
3217			Portable Fire Extinguishers and Fixed Fire		
			Extinguishing Systems	4/22/09	LLR - Office of State Fire Marshal
3218			Liquefied Petroleum (LP) Gas	4/22/09	LLR - Office of State Fire Marshal
3219			Fireworks and Pyrotechnics	4/22/09	LLR - Office of State Fire Marshal
3220			Fire Prevention and Life Safety in Local Detention Facilities	4/22/09	LLR - Office of State Fire Marshal
3213			Annual Audited Financial Reporting Regulation	4/30/09	Department of Insurance
3208			Contact Information from Traffic Stops	5/13/09	Department of Public Safety
3205			Tax Credits for Fortification Measures	5/13/09	Department of Insurance
3197			Annual Reporting Requirements for Designated Eligible		
			Telecommunications Carriers	5/13/09	Public Service Commission
3203			Telephone Utilities Offering Regulated Prepaid Local		
			Exchange Services and Bonds	5/13/09	Public Service Commission
3210			Licensing of Onsite Wastewater System Master Contractor	5/13/09	Department of Health and Envir Control
3198			Solid Waste Management: Demonstration-of-Need	5/13/09	Department of Health and Envir Control
4004			Federal Government Construction Contracts	5/13/09	Department of Revenue
4003			Donors and Goods Given Away for Advertising Purposes	5/13/09	Department of Revenue
3225			Hazardous Waste Management	5/13/09	Department of Health and Envir Control
3222			Interruption of Service, Computation of Time, Emergency		
			Procedures, and Service Between Parties of Record	5/13/09	Public Service Commission
4005			Deed Recording Fee	5/13/09	Department of Revenue
3223			Adjustment of Bills and Representation	5/13/09	Public Service Commission
4020			PC&N (Stretcher Vans)	5/13/09	Public Service Commission
3226			X-rays (Title B)	5/13/09	Department of Health and Envir Control
4036			Replacement of Life Insurance and Annuities	5/13/09	Department of Insurance
4035			Preneed Life Insurance Minimum Standards for Determining		
			Reserve Liabilities and Nonforfeiture Values	5/13/09	Department of Insurance
<b>Committee Requested Withdrawal:</b>					
3184			Restructuring ATF Regulations - Pyrotechnic Safety		LLR - Board of Pyrotechnic Safety
<b>Permanently Withdrawn:</b>					
3166			SCDOT Chief Internal Auditor		Department of Transportation

## 2 COMMITTEE LIST OF REGULATIONS SUBMITTED TO GENERAL ASSEMBLY

In order by General Assembly review expiration date  
 The history, status, and full text of these regulations are available on the  
 South Carolina General Assembly Home Page: [www.scstatehouse.net/regnsrch.htm](http://www.scstatehouse.net/regnsrch.htm)

DOC NO.	SUBJECT	HOUSE COMMITTEE	SENATE COMMITTEE
3202	Requirements for Licensure as a Physical Therapist	Medical, Military, Pub & Mun Affairs	Medical Affairs
3201	Mobile Dental Facilities and Portable Dental Operations	Medical, Military, Pub & Mun Affairs	Medical Affairs
3196	S.C. National Guard College Assistance Program	Education and Public Works	Education
3206	Application, Renewal and Continuing Education	Medical, Military, Pub & Mun Affairs	Medical Affairs
3207	Board of Veterinary Medical Examiners Chapter Revision	Agriculture and Natural Resources	Labor, Commerce and Industry
3204	Licensing Standards for Continuing Care Retirement Communities	Medical, Military, Pub & Mun Affairs	Medical Affairs
3199	South Carolina Trauma Care Systems	Medical, Military, Pub & Mun Affairs	Medical Affairs
3209	Operation of Public Pupil Transportation Services	Education and Public Works	Education
3214	Fire Prevention and Life Safety	Labor, Commerce and Industry	Labor, Commerce and Industry
3215	Fire Prevention and Life Safety for Special Occupancies	Labor, Commerce and Industry	Labor, Commerce and Industry
3216	Explosives	Labor, Commerce and Industry	Labor, Commerce and Industry
3217	Portable Fire Extinguishers and Fixed Fire Extinguishing Systems	Labor, Commerce and Industry	Labor, Commerce and Industry
3218	Liquefied Petroleum (LP) Gas	Labor, Commerce and Industry	Labor, Commerce and Industry
3219	Fireworks and Pyrotechnics	Labor, Commerce and Industry	Labor, Commerce and Industry
3220	Fire Prevention and Life Safety in Local Detention Facilities	Labor, Commerce and Industry	Labor, Commerce and Industry
3213	Annual Audited Financial Reporting Regulation	Labor, Commerce and Industry	Banking and Insurance
3208	Contact Information from Traffic Stops		
3205	Tax Credits for Fortification Measures		
3197	Annual Reporting Requirements for Designated Eligible Telecommunications Carriers		
3203	Telephone Utilities Offering Regulated Prepaid Local Exchange Services and Bonds		
3210	Licensing of Onsite Wastewater System Master Contractors		
3198	Solid Waste Management: Demonstration-of-Need		
4004	Federal Government Construction Contracts		
4003	Donors and Goods Given Away for Advertising Purposes		
3225	Hazardous Waste Management		
3222	Interruption of Service, Computation of Time, Emergency Procedures, and Service Between Parties of Record		
4005	Deed Recording Fee		
3223	Adjustment of Bills and Representation		
4020	PC&N (Stretcher Vans)		
3226	X-rays (Title B)		
4036	Replacement of Life Insurance and Annuities		
4035	Prereed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values		
<b>Committee Requested Withdrawal:</b>			
3184	Restructuring ATF Regulations - Pyrotechnic Safety	Labor, Commerce and Industry	Labor, Commerce and Industry
<b>Permanently Withdrawn:</b>			
3166	SCDOT Chief Internal Auditor	Education and Public Works	Transportation

**Executive Order No. 2008-14**

**WHEREAS**, Section 53-5-20 of the South Carolina Code of Laws allows the Governor to declare Christmas Eve of each year a holiday for state government employees; and

**WHEREAS**, I encourage all state government employees to celebrate the holiday season by spending time with family members and loved ones and to reflect on the blessings of the past year and look forward to the advent of the New Year.

**NOW, THEREFORE**, pursuant to Section 53-5-20 of the South Carolina Code of Laws, I hereby declare Wednesday, December 24, 2008, as the Christmas Eve holiday for state government employees.

**GIVEN UNDER MY HAND AND THE GREAT  
SEAL OF THE STATE OF SOUTH CAROLINA,  
THIS 24<sup>th</sup> DAY OF NOVEMBER, 2008.**

**MARK SANFORD  
Governor**

## 4 NOTICES

### DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

#### PUBLIC NOTICE

In accordance with Section 44-7-200(C), Code of Laws of South Carolina, the public is hereby notified that a Certificate of Need application has been accepted for filing and publication January 23, 2009, for the following project(s). After the application is deemed complete, affected persons will be notified that the review cycle has begun. For further information, please contact Mrs. Sarah "Sallie" C. Harrell, Division of Planning and Certification of Need, 2600 Bull St., Columbia, SC 29201 at (803) 545-4200.

#### Affecting Bamberg County

Purchase and renovation (cosmetic refurbishment) of the existing eight-eight (88) bed nursing home to include continued participation in the Medicaid and Medicare Programs  
Bamberg County Memorial Nursing Home  
Bamberg, South Carolina  
Project Cost: \$5,076,000

#### Affecting Charleston County

Expansion of radiation oncology services by the addition of one (1) linear accelerator to be used for specialized treatment including pediatric and total body irradiation  
Medical University of South Carolina Medical Center  
Charleston, South Carolina  
Project Cost: \$62,000

Renovation for the addition of an Elekta Gamma Knife to the Neuroscience Institute located on the first floor of the University Hospital  
Medical University of South Carolina Medical Center  
Charleston, South Carolina  
Project Cost: \$6,571,875

In accordance with S.C. DHEC Regulation 61-15, the public and affected persons are hereby notified that the review cycle has begun for the following project(s) and a proposed decision will be made within 60 days beginning January 23, 2009. "Affected persons" have 30 days from the above date to submit comments or requests for a public hearing to Mr. Les W. Shelton, Division of Planning and Certification of Need, 2600 Bull Street, Columbia, S.C. 29201. For further information call (803) 545-4200.

#### Affecting Greenville County

Construction of new space and renovation of existing space previously approved in SC-05-54 for the addition of twenty-three (23) psychiatric beds resulting in a total bed capacity of ninety nine (99) psychiatric beds and thirteen (13) substance abuse beds; other additions to the facility will include an adolescent courtyard, expanded parking area, and an electroconvulsive (ECT) suite  
The Carolina Center for Behavioral Health  
Greer, South Carolina  
Project Cost: \$6,343,431

## Affecting Horry County

Construction of an outpatient diagnostic center to include the purchase and installation of a 1.5T Magnetic Resonance Imaging (MRI) unit, a sixteen (16) slice Computed Tomography (CT) unit, Diagnostic Radiology equipment, Information Technology equipment, and an Electrocardiogram (EKG) unit; the existing mammography, ultrasound and bone densitometry units will be relocated from the hospital's radiology department; the proposed facility is to be located at the intersection of Singleton Ridge Road and Farrar Drive in the Rivertown Medical Park

Conway Medical Center  
 Conway, South Carolina  
 Project Cost: \$7,514,091

Construction of a sixty (60) bed nursing home that will not participate in the Medicaid (Title XIX) Program  
 Shepherd's Landing Nursing and Rehabilitation Center

Little River, South Carolina  
 Project Cost: \$10,253,416

## Affecting Laurens County

Change of licensure of eighteen (18) of the existing sixty-six (66) institutional nursing home beds that do not provide a community service resulting in a total licensed bed capacity of forty-eight (48) institutional nursing home beds and eighteen (18) nursing home beds that will not participate in the Medicaid (Title XIX) Program  
 Presbyterian Home of South Carolina—Clinton

Clinton, South Carolina  
 Project Cost: \$0

## Affecting Richland County

Replacement of the existing 0.3T Magnetic Resonance Imaging (MRI) unit issued under NA-07-17 with a refurbished 1.5T MRI unit

The Columbia Medical Group, P.A.  
 Columbia, South Carolina  
 Project Cost: \$751,199

## DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

### PUBLIC NOTICE

Section IV of R.61-98, the State Underground Petroleum Environmental Response Bank (SUPERB) Site Rehabilitation and Fund Access Regulation, requires that the Department of Health and Environmental Control evaluate and certify site rehabilitation contractors to perform site rehabilitation of releases from underground storage tanks under the State Underground Petroleum Environmental Response Bank (SUPERB) Act.

Class I Contractors perform work involving the collection and interpretation of investigative data; the evaluation of risk; and/or the design and implementation of corrective action plans. Class I applicants must satisfy registration requirements for a Professional Engineer or Geologist in South Carolina. Class II Contractors perform work involving routine investigative activities (e.g., soil or ground water sampling, well installation, aquifer testing) where said activities do not require interpretation of the data and are performed in accordance with established regulatory or industry standards.

## 6 NOTICES

Pursuant to Section IV.B.1. the Department is required to place a list of those contractors requesting certification on public notice and accept comments from the public for a period of thirty (30) days. If you wish to provide comments regarding the companies and/or individuals listed below, please submit your comments in writing, no later than February 22, 2009 to:

Contractor Certification Program  
South Carolina Department of Health and Environmental Control  
Bureau of Land and Waste Management - Underground Storage Tank Program  
Attn: Heather Price  
2600 Bull Street  
Columbia, SC 29201

The following companies and/or individuals have applied for certification as Underground Storage Tank Site Rehabilitation Contractors:

### Class I

Goldie & Associates, Inc.  
Attn: Ben Day  
210 W. North 2<sup>nd</sup> St  
Seneca, SC 29678

## **DEPARTMENT OF LABOR, LICENSING AND REGULATION OFFICE OF STATE FIRE MARSHAL**

### **NOTICE OF GENERAL PUBLIC INTEREST**

Notice is hereby given that, in accordance with Section 1-34-30 of the 1976 Code of Laws of South Carolina, as amended, the Department of Labor, Licensing and Regulation, Office of State Fire Marshal hereby adopts the latest edition of the following nationally recognized code.

1. National Fire Protection Association 17, Standard for Dry Chemical Extinguishing Systems, 2009 Edition
2. The original promulgating authority for this code is:  
National Fire Protection Association  
1 Batterymarch Park  
Quincy, Massachusetts 02269
3. This code is referenced by: South Carolina Rules and Regulation 71-8307.3(A)(9)

The Office of State Fire Marshal specifically requested comments concerning sections of this edition, which may be unsuitable for enforcement in South Carolina and received none. Therefore, the Office of State Fire Marshal hereby promulgates this latest edition without amendment.

**DEPARTMENT OF LABOR, LICENSING AND REGULATION  
OFFICE OF STATE FIRE MARSHAL**

**NOTICE OF GENERAL PUBLIC INTEREST**

Notice is hereby given that, in accordance with Section 1-34-30 of the 1976 Code of Laws of South Carolina, as amended, the Department of Labor, Licensing and Regulation, Office of State Fire Marshal hereby adopts the latest edition of the following nationally recognized code.

1. National Fire Protection Association 17A, Standard for Wet Chemical Extinguishing Systems, 2009 Edition
2. The original promulgating authority for this code is:  
National Fire Protection Association  
1 Batterymarch Park  
Quincy, Massachusetts 02269
3. This code is referenced by:  
South Carolina Rules and Regulation 71-8307.3(A)(9)

The Office of State Fire Marshal specifically requested comments concerning sections of this edition, which may be unsuitable for enforcement in South Carolina and received none. Therefore, the Office of State Fire Marshal hereby promulgates this latest edition without amendment.

**DEPARTMENT OF LABOR, LICENSING AND REGULATION  
OFFICE OF STATE FIRE MARSHAL**

**NOTICE OF GENERAL PUBLIC INTEREST**

Notice is hereby given that, in accordance with Section 1-34-30 of the 1976 Code of Laws of South Carolina, as amended, the Department of Labor, Licensing and Regulation, Office of State Fire Marshal hereby adopts the latest edition of the following nationally recognized code.

1. National Fire Protection Association 54, National Fuel Gas Code, 2009 Edition
2. The original promulgating authority for this code is:  
National Fire Protection Association  
1 Batterymarch Park  
Quincy, Massachusetts 02269
3. This code is referenced by: South Carolina Code of Laws Section 40-82-70

The Office of State Fire Marshal specifically requested comments concerning sections of this edition, which may be unsuitable for enforcement in South Carolina and received none. Therefore, the Office of State Fire Marshal hereby promulgates this latest edition without amendment.

## 8 NOTICES

### DEPARTMENT OF LABOR, LICENSING AND REGULATION OFFICE OF STATE FIRE MARSHAL

#### NOTICE OF GENERAL PUBLIC INTEREST

Notice is hereby given that, in accordance with Section 1-34-30 of the 1976 Code of Laws of South Carolina, as amended, the Department of Labor, Licensing and Regulation, Office of State Fire Marshal hereby adopts the latest edition of the following nationally recognized code.

1. National Fire Protection Association 59, Utility LP-Gas Plant Code, 2008 Edition
2. The original promulgating authority for this code is:  
National Fire Protection Association  
1 Batterymarch Park  
Quincy, Massachusetts 02269
3. This code is referenced by: South Carolina Code of Laws Section 40-82-70

The Office of State Fire Marshal specifically requested comments concerning sections of this edition, which may be unsuitable for enforcement in South Carolina and received none. Therefore, the Office of State Fire Marshal hereby promulgates this latest edition without amendment.

### DEPARTMENT OF LABOR, LICENSING AND REGULATION OFFICE OF STATE FIRE MARSHAL

#### NOTICE OF GENERAL PUBLIC INTEREST

Notice is hereby given that, in accordance with Section 1-34-30 of the 1976 Code of Laws of South Carolina, as amended, the Department of Labor, Licensing and Regulation, Office of State Fire Marshal hereby adopts the latest edition of the following nationally recognized code.

1. National Fire Protection Association 101, Life Safety Code, 2009 Edition
2. The original promulgating authority for this code is:  
National Fire Protection Association  
1 Batterymarch Park  
Quincy, Massachusetts 02269
3. The code is referenced by:  
South Carolina Code of Laws, Section 23-45-140  
South Carolina Rules and Regulations 71-8300.11(D)(2)(d)  
South Carolina Rules and Regulations 71-8300.11(E)(6)(b)(l)  
South Carolina Rules and Regulations 71-8300.11(E)(7)(b)(l)  
South Carolina Rules and Regulations 71-8300.11(F)(1)(c)  
South Carolina Rules and Regulations 71-8300.12(B)

The Office of State Fire Marshal specifically requested comments concerning sections of this edition, which may be unsuitable for enforcement in South Carolina and received none. Therefore, the Office of State Fire Marshal hereby promulgates this latest edition without amendment.

**DEPARTMENT OF LABOR, LICENSING AND REGULATION****NOTICE OF PUBLIC HEARING****OCCUPATIONAL SAFETY AND HEALTH STANDARDS**

The South Carolina Department of Labor, Licensing, and Regulation (LLR) does hereby give notice under Section 41-15-220, S.C. Code of Laws, 1976, as amended, that a public hearing will be held on February 26, 2009 at 1:30 p.m. at the S.C. Department of LLR, 1<sup>st</sup> floor, Room 107, 110 Centerview Drive, Columbia, S.C., at which time interested persons will be given the opportunity to appear and present views on the occupational safety and health standards being considered for adoption, which are as follows:

In Subarticle 6 (General Industry and Shipyard Employment):

Revisions to Sections 1910.6, 1910.68, 1910.9, 1910.94, 1910.95, 1910.103, 1910.107, 1910.110, 1910.111, 1910.134, 1910.144, 1910.156, 1910.243, 1910.251, 1910.253, 1910.261, 1910.303, 1910.304, 1910.1001, 1910.1003, 1910.1017, 1910.1018, 1910.1025, 1910.1026, 1910.1027, 1910.1028, 1910.1029, 1910.1030, 1910.1043, 1910.1044, 1910.1045, 1910.1047, 1910.1048, 1910.1050, 1910.1051, 1910.1052, 1917.5, and 1917.71

In Subarticle 7 (Construction):

Revisions to Sections 1926.20, 1926.60, 1926.62, 1926.761, 1926.1101, 1926.1126, and 1926.1127

Any omissions or corrections to the Occupational Safety and Health standards being considered for adoption or any future amendments to Subarticles 6, 7, and 8 pertaining to General Industry, Construction, and Agriculture, respectively, published in the FEDERAL REGISTER prior to this hearing may be presented at this hearing. These revisions are necessary to comply with federal law and copies of them can be obtained or reviewed at the S.C. Department of LLR during normal business hours by contacting the Occupational Safety and Health Administration office at (803) 896-5811.

Persons desiring to speak at the hearing shall file with the Director of LLR a notice of intention to appear and the approximate amount of time required for her/his presentation on the particular matter no later than February 16, 2009. Any person who wishes to express her/his views, but is unable or does not desire to appear and testify at the hearing, should submit those views to the undersigned in writing on or before February 16, 2009.

Adrienne Riggins Youmans  
Director  
SC Department of LLR  
Post Office Box 11329  
Columbia, SC 29211-1329

## **10 DRAFTING**

### **SOUTH CAROLINA CRIMINAL JUSTICE ACADEMY CHAPTER 38**

Statutory Authority: 1976 Code Sections 23-23-10 et seq.

#### **Notice of Drafting:**

The South Carolina Criminal Justice Academy proposes to draft changes to regulations that address law enforcement officer and E-911 officer training and certification. Interested persons may submit comments to Ms. Brandy A. Duncan, General Counsel, 5400 Broad River Road, Columbia, South Carolina 29212. To be considered, comments must be received no later than 5:00 p.m. on February 23, 2009, the close of the drafting comment period.

#### **Synopsis:**

The General Assembly passed Act 317 and Act 335 (South Carolina Code §23-23-10 et seq.) separating the South Carolina Criminal Justice Academy from the Department of Public Safety. S.C. Code §23-23-10 et seq. requires the Criminal Justice Academy to train, certify, and evaluate certifiability of candidates for law enforcement certification in the state of South Carolina. The Act allows the Criminal Justice Academy to promulgate regulations as are necessary for the administration of Act 317.

The proposed changes to the regulations will address inconsistencies between S.C. Code §23-23-10 et seq., requirements for issuance and re-issuance of certification, denial of certification for misconduct, prior training with break in service requirements, continuing law enforcement education requirements for re-certification, approval of continuing law enforcement education hours for re-certification requirements, extension of certification renewal date, and withdrawal of certification.

Legislative review of this proposal will be required.

### **BOARD OF PHARMACY**

#### **CHAPTER 99**

Statutory Authority: 1976 Code Sections 40-1-70 and 40-43-60

#### **Notice of Drafting:**

The South Carolina Board of Pharmacy proposes to add Regulation 99-45 to clarify requirements for central fill pharmacies. This regulation is also added in conformance with current statutes and regulations. Interested persons may submit comments to Lee Ann F. Bundrick, Administrator, South Carolina Board of Pharmacy, Post Office Box 11927, Columbia, S.C. 29211-1927.

#### **Synopsis:**

The South Carolina Board of Pharmacy proposes to add Regulation 99-45 to clarify requirements for central fill pharmacies.

**PUBLIC SERVICE COMMISSION**  
CHAPTER 103  
Statutory Authority: 1976 Code Section 58-3-140

**Notice of Drafting:**

The Public Service Commission of South Carolina proposes to amend its regulations and to add additional regulations, if necessary, regarding charter buses and limousines. Interested persons may submit comments to the Public Service Commission, Docketing Department, 101 Executive Center Drive, Columbia, South Carolina 29210. Please reference Docket Number 2009-16-T. To be considered, comments must be received no later than 4:45 p.m. on March 9, 2009.

**Synopsis:**

The Commission intends to review its regulations related to charter buses and limousines; it will begin its initial review by studying the definitions contained in 26 S.C. Code Ann. Regs. 103-102(5) and 103-102(15), regarding the definitions of charter bus and limousine, respectively. More specifically, the Commission is interested in determining whether the current regulations reflect current practices of the transportation industry and addressing whether the definitions of a charter bus and a limousine contain conflicting language. Additionally, the Commission intends to review the scope and calculation of the seat capacity/limitations contained in the charter bus and limousine regulations to determine if its regulations should be clarified.

Legislative review of these proposals will be required.

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Document No. 4052  
**CLEMSON UNIVERSITY**  
**STATE CROP PEST COMMISSION**  
CHAPTER 27  
Statutory Authority: 1976 Code Section 46-9-40

### 27-77. Light Brown Apple Moth Quarantine

#### **Preamble:**

The State Crop Pest Commission has previously designated the Light Brown Apple Moth (LBAM) (*Epiphyas postvittana*) as a plant pest. The proposed quarantine will focus on the most effective method of preventing the introduction of the pest into the State by giving greater effect to state and federal quarantines at point of origin.

The Notice of Drafting was published in the State Register on September 26, 2008. No comments were received.

#### Section-by-Section Discussion

##### Article 6E. Light Brown Apple Moth Quarantine

### 27-77. Light Brown Apple Moth Quarantine

1. This section designates a quarantine for the Light Brown Apple Moth ( hereinafter, LBAM) (*Epiphyas postvittana*).
2. This section delineates the regulated areas subject to the quarantine.
3. This section specifies the regulated articles which are hosts for ACP.
4. This section delineates treatment methods for interstate and intrastate movement of regulated articles from regulated areas, and further provides for compliance agreements, inspections and cancellations of compliance agreements.

#### **Notice of Public Hearing and Opportunity for Public Comment:**

Interested members of the public and the regulated community are invited to make oral or written comments on the proposed changes to the regulation at a public hearing scheduled to be held in Conference Room 1, Center for Applied Technology, 511 Westinghouse Road, Pendleton, SC 29670 on Friday, February 27, 2009 at 10:30 AM. Should such hearing not be requested pursuant to Section 1-23-110(a)(3) on or before close of business on February 24, 2009, such hearing will be canceled without further notice.

Interested parties are also invited to submit written comments to the proposed amendments by writing to Christopher Ray, Ph.D., Department of Plant Industry, 511 Westinghouse Road, Pendleton, SC 29670. To be considered comments must be received no later than close of business on February 24, 2009.

#### **Preliminary Fiscal Impact Statement:**

There will be no increased costs to the State or its political subdivisions.

**Statement of Need and Reasonableness:**

This statement of need and reasonableness was determined by staff analysis pursuant to S. C. Code Section 1-23-115(C)(1) through (3) and (9) through (11).

DESCRIPTION OF REGULATION: 27-77. Light Brown Apple Moth Quarantine.

Purpose: Regulation 27-77 is a new regulation to provide for the quarantine of an important plant pest, harmful to the citrus industry.

Legal Authority: The legal authority for Regulation 27-77 is Section 46-9-40, South Carolina Code of Laws.

Plan for Implementation: The proposed regulation will take effect upon approval by the General Assembly and publication in the State Register. The proposed amendments will be implemented by providing copies to the regulated community and media notices to the general public.

**DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:**

The proposed regulation will provide a greater degree of protection to the agricultural community by focusing efforts at preventing the introduction and spread of LBAM into the State.

**DETERMINATION OF COSTS AND BENEFITS:**

Agriculture will benefit if LBAM is not brought into South Carolina, and if the regulated articles exported from quarantined areas are properly treated prior to movement into the State.

**UNCERTAINTIES OF ESTIMATES:**

None.

**EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:**

The proposed regulation should allow a greater probability that LBAM will not be introduced into this State.

**DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:**

If this regulation is not adopted, there is the possibility that LBAM will introduced into this State and adversely affect the export of plant materials.

**Statement of Rationale:**

This regulation is necessary to enhance the ability of the Commission to prevent the introduction of LBAM into the State, to enable proper treatment of infected material prior to leaving the state of origin, and to minimize administrative burdens on nursery operators.

**Text:**

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.scstatehouse.net/regnsrch.htm>. Full text may also be obtained from the promulgating agency.

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Document No. 4056

### DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

#### CHAPTER 61

Statutory Authority: 1976 Code Sections 48-1-10 et seq.

#### 61-62. Air Pollution Control Regulations and Standards

##### **Preamble:**

On May 1, 2007, the United States Environmental Protection Agency (EPA) published a final rule in the *Federal Register* titled *Prevention of Significant Deterioration, Nonattainment New Source Review, and Title V: Treatment of Certain Ethanol Production Facilities Under the "Major Emitting Facility" Definition* (72 FR 24060), which excluded facilities that produce ethanol by natural fermentation and are classified in North American Industry Classification System code 325193 or 312140 from the definition of "chemical process plants." This final rule became effective on July 2, 2007.

On June 13, 2007, the EPA amended its regulations to eliminate the pollution control project and clean unit provisions established in a December 31, 2002, rulemaking better known as the "2002 NSR Reform Rules" (67 FR 80186). This final rule titled *Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NSR): Removal of Vacated Elements* (72 FR 32526) became effective on June 13, 2007.

On May 16, 2008, the EPA published a final rule in the *Federal Register* titled *Implementation of the New Source Review (NSR) Program for Particulate Matter Less Than 2.5 Micrometers (PM<sub>2.5</sub>)* (73 FR 28321), which finalized regulations to implement the New Source Review (NSR) program for fine particulate matter (that is, particles with an aerodynamic diameter less than or equal to a nominal 2.5 micrometers, generally referred to as "PM<sub>2.5</sub>"). This final rule became effective July 15, 2008.

On June 2, 2008, the EPA took final action to partially approve, disapprove, and conditionally approve revisions to the SIP (a response to the "2002 NSR Reform Rules") submitted by the State of South Carolina on July 1, 2005. This final rule titled *Approval and Promulgation of Implementation Plans, South Carolina Prevention of Significant Deterioration and Nonattainment New Source Review Rules* (73 FR 31368), became effective July 2, 2008.

The Department proposes to amend R. 61-62.5, Standard No. 7, *Prevention of Significant Deterioration*; R. 61-62.5, Standard No. 7.1, *Nonattainment New Source Review (NSR)* and the South Carolina State Implementation Plan (SIP) to incorporate the requirements of the aforementioned Federal amendments published on May 1, 2007 (72 FR 24060), June 13, 2007 (72 FR 32526), and June 2, 2008 (73 FR 31368). The Department also proposes to make all additional changes necessary (including implementation of provisions for offsetting emissions) for full EPA approval of the State Nonattainment NSR program and the SIP.

The Department proposes to postpone amending R. 61-62.5, Standard No. 7, *Prevention of Significant Deterioration*; R. 61-62.5, Standard No. 7.1, *Nonattainment New Source Review (NSR)* and the SIP to incorporate the requirements of the aforementioned Federal amendments published on May 18, 2008 (73 FR 28321). The Department has deemed it necessary to defer regulatory action until comprehensive guidance for additional PM<sub>2.5</sub> provisions is released by the EPA. These amendments will be handled in a separate regulatory action. In the interim, existing State provisions for particulates will adequately meet the requirements for Federal compliance.

The proposed amendments of R. 61-62, *Air Pollution Control Regulations and Standards*, are necessary to maintain consistency with Federal rules. Pursuant to S.C. Code Section, 1-23-120(H)(1), the proposed amendments will not require legislative review.

Two Notices of Drafting for these proposed changes were published in the *State Register* on April 25, 2008, and September 26, 2008. Notice of the Department's intent to draft these regulations was also published on the South Carolina Department of Health and Environmental Control (DHEC) Regulatory Internet site in its *DHEC Regulation Development Update*. No comments were received during the drafting comment periods. Since these amendments are consistent with Federal law, neither a preliminary fiscal impact statement nor a preliminary assessment report is required.

Discussion of Proposed Revisions:

SECTION CITATION/EXPLANATION OF CHANGE:

R. 61-62.5 Standard No. 7:

Remove and reserve paragraph (a)(2)(iv)(e).

R. 61-62.5 Standard No. 7:

Revise paragraph (a)(2)(iv)(f) by changing the regulation citation in sentence one from (a)(2)(iv)(c) through (e) to (a)(2)(iv)(c) and (d), and removing sentence two.

R. 61-62.5 Standard No. 7:

Remove paragraph (a)(2)(vi).

R. 61-62.5 Standard No. 7:

Remove and reserve paragraph (b)(12).

R. 61-62.5 Standard No. 7:

Remove and reserve paragraph (b)(30)(iii)(h).

R. 61-62.5 Standard No. 7:

Add an exclusion to the text of paragraph (b)(32)(i)(a) concerning "chemical process plants."

R. 61-62.5 Standard No. 7:

Add an exclusion to the definition of "chemical process plants" in paragraph (b)(32)(iii)(t).

R. 61-62.5 Standard No. 7:

Remove and reserve paragraph (b)(34)(iii)(b).

R. 61-62.5 Standard No. 7:

Remove paragraph (b)(34)(vi)(d).

R. 61-62.5 Standard No. 7:

Remove and reserve paragraph (b)(35).

R. 61-62.5 Standard No. 7:

Remove and reserve paragraph (b)(36).

R. 61-62.5 Standard No. 7:

Revise paragraph (b)(41)(ii)(d) by changing the regulation citation from (a)(41)(ii)(a) through (c) to (b)(41)(ii)(a) through (c).

R. 61-62.5 Standard No. 7:

Add an exclusion to the definition of "chemical process plants" in paragraph (i)(1)(vii)(t).

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R. 61-62.5 Standard No. 7:

Remove “at a Clean Unit or” from paragraph (r)(6).

R. 61-62.5 Standard No. 7:

Remove “a Clean Unit modification project or” from paragraph (r)(7).

R. 61-62.5 Standard No. 7:

Remove and reserve paragraph (x).

R. 61-62.5 Standard No. 7:

Remove and reserve paragraph (y).

R. 61-62.5 Standard No. 7:

Remove and reserve paragraph (z).

R. 61-62.5 Standard No. 7.1:

Remove and reserve paragraph (b)(5).

R. 61-62.5 Standard No. 7.1:

Revise paragraph (b)(6) by changing the regulation citation in sentence one from (b)(3) through (5) to (b)(3) and (4), and removing sentence two.

R. 61-62.5 Standard No. 7.1:

Remove paragraph (b)(8).

R. 61-62.5 Standard No. 7.1:

Remove and reserve paragraph (c)(4).

R. 61-62.5 Standard No. 7.1:

Remove and reserve paragraph (c)(6)(C)(viii).

R. 61-62.5 Standard No. 7.1:

Add an exclusion to the definition of “chemical process plants” in paragraph (c)(7)(C)(xx).

R. 61-62.5 Standard No. 7.1:

Remove paragraph (c)(8)(C)(iii).

R. 61-62.5 Standard No. 7.1:

Remove paragraph (c)(8)(E)(v).

R. 61-62.5 Standard No. 7.1:

Remove and reserve paragraph (c)(10).

R. 61-62.5 Standard No. 7.1:

Added text to paragraph (d)(1)(C)(v). This language was developed by the Department in cooperation with stakeholders to address the requirements of the EPA for full approval of the South Carolina State Implementation Plan in regard to emissions offsets. This revision specifically fulfills the requirement that reductions be surplus and develops a methodology for calculating offsets. These revisions are no more stringent than the Federal requirements.

R. 61-62.5 Standard No. 7.1:

Remove and reserve paragraphs (d)(1)(C)(ix) and (x).

R. 61-62.5 Standard No. 7.1:  
Remove “at a Clean Unit or” from paragraph (d)(3).

R. 61-62.5 Standard No. 7.1:  
Remove “a Clean Unit modification project or” from paragraph (d)(4).

R. 61-62.5 Standard No. 7.1:  
Add an exclusion to the definition of “chemical process plants” in paragraph (e)(T).

R. 61-62.5 Standard No. 7.1:  
Remove and reserve paragraph (f).

R. 61-62.5 Standard No. 7.1:  
Remove and reserve paragraph (g).

R. 61-62.5 Standard No. 7.1:  
Remove and reserve paragraph (h).

**Notice of Staff Informational Forum and Public Comment Period:**

Staff of the South Carolina Department of Health and Environmental Control invites interested members of the public to attend a staff-conducted informational forum to be held on February 23, 2009 at 10:00 a.m. in room 3141 (Wallace Room) at the South Carolina Department of Health and Environmental Control, 2600 Bull Street, Columbia, SC. The purpose of the forum is to answer questions, clarify any issues, and receive comments from interested persons on the proposed amendments to Regulation 61-62, Air Pollution Control Regulations and Standards. Please use the Bull Street entrance.

Interested persons are also provided an opportunity to submit written comments to Christopher L. Vaigneur at the South Carolina Department of Health and Environmental Control, Bureau of Air Quality, 2600 Bull Street, Columbia, SC 29201. To be considered, comments must be received no later than 5:00 p.m. on February 23, 2009, the close of the public comment period.

Comments received at the Forum and/or during the public comment period by the deadline requested above shall be submitted to the Board of Health and Environmental Control in a Summary of Public Comments and Department Responses for consideration at the public hearing as noticed below.

Copies of the proposed regulation for public notice and comment may be obtained by contacting Christopher L. Vaigneur at the South Carolina Department of Health and Environmental Control, Bureau of Air Quality, 2600 Bull Street, Columbia, SC 29201, or by calling (803) 898-3116. A copy may also be obtained on the Department’s Regulatory Information Internet Site at <http://www.scdhec.gov/administration/regs/> in its *DHEC Regulation Development Update*. To access this document, click on the Air category, then scan down for this proposed amendment.

**Notice of Public Hearing and Opportunity for Public Comment:**

Interested members of the public and regulated community are invited to comment on the proposed amendments of R. 61-62, Air Pollution Control Regulations and Standards at a public hearing to be conducted by the Board of the South Carolina Department of Health and Environmental Control at its regularly-scheduled meeting on April 9, 2009. The public hearing is to be held in room 3420 (Board Room) of the Commissioner’s Suite, third floor, Aycock Building of the South Carolina Department of Health and Environmental Control, 2600 Bull Street, Columbia, SC. The Board meeting commences at 10:00 a.m. at which time the Board will consider items on its agenda in the order presented. The order of presentation for

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public hearings will be noted in the Board's agenda to be published by the Department twenty-four hours in advance of the meeting. Persons desiring to make oral comments at the hearing are asked to limit their statements to five minutes or less, and as a courtesy are asked to provide written copies of their presentation to the Clerk of the Board for inclusion into the record of the public hearing.

### **Statement of Need and Reasonableness:**

This statement of need and reasonableness was determined by staff analysis pursuant to S.C. Code Section 1-23-115(C)(1)-(3) and (9)-(11).

DESCRIPTION OF REGULATION: Amendments to R. 61-62, Air Pollution Control Regulations and Standards and the South Carolina State Implementation Plan (SIP).

Purpose: These amendments will maintain conformity with Federal requirements and ensure compliance with Federal standards.

Legal Authority: The legal authority for R. 61-62, Air Pollution Control Regulations and Standards, is S.C. Code Ann. Section 48-1-10 et seq.

Plan for Implementation: The proposed amendments will take effect upon approval and adoption by the South Carolina Board of Health and Environmental Control and publication in the *State Register*.

### DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATIONS BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:

The United States Environmental Protection Agency (EPA) regularly promulgates amendments to Federal regulations to include clarification, guidance, technical amendments, and strengthen air quality provisions. On May 1, 2007, the EPA published a final rule, adding certain exclusions to the definition of "chemical process plants" under the "Major Emitting Facility" definition. Also, on June 13, 2007, the EPA amended its regulations to eliminate the pollution control project and clean unit provisions established in a December 31, 2002, rulemaking. Furthermore, on June 2, 2008, the EPA took final action to partially approve, disapprove, and conditionally approve revisions to the SIP submitted by the State of South Carolina on July 5, 2005. As part of the conditional approval, the Department has agreed to revise the State Nonattainment NSR program and the SIP in order to obtain full approval from the EPA. States are mandated by law to adopt these Federal amendments. These amendments are reasonable as they promote consistency and ensure conformity of State regulations to Federal requirements.

### DETERMINATION OF COSTS AND BENEFITS:

There will be no increased cost to the State or its political subdivisions as a result of these amendments. The standards to be adopted are already effective and applicable to the regulated community as a matter of Federal law. The proposed amendments will benefit the regulated community by clarifying the regulations and increasing their ease of use.

### UNCERTAINTIES OF ESTIMATES:

EPA has provided the estimated costs and benefits for these standards in the *Federal Register* notices that are cited within this document.

EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:

Adoption of the recent changes in Federal law through the proposed amendments to R. 61-62, Air Pollution Control Regulations and Standards, and the SIP will provide continued protection of the environment and public health.

DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATIONS ARE NOT IMPLEMENTED:

While there is no specific detrimental effect on the environment and public health, the State’s authority to implement Federal requirements, which are believed to be beneficial to the public health and environment, would be compromised if these amendments were not adopted in South Carolina.

**Text:**

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.scstatehouse.net/regnsrch.htm>. Full text may also be obtained from the promulgating agency.

Document No. 4057  
**DEPARTMENT OF INSURANCE**  
CHAPTER 69

Statutory Authority: 1976 Code Sections 1-23-10 et seq., 38-3-110(2) and 38-43-106

69-50. Continuing Insurance Education

**Preamble:**

The South Carolina Department of Insurance proposes to amend Regulation 69-50, Continuing Insurance Education. The amendments to Regulation 69-50 will update and provide guidance to producers, continuing education sponsors, instructors and administrators on compliance with the statutory continuing education requirements for producers. The updates will bring the regulation into compliance with the statutory amendments enacted by South Carolina Act 326 of 2008.

Notice of drafting for the proposed regulation was published in the State Register on November 28, 2008.

Section-by-Section Discussion

The proposed regulation shall include the following sections:

SECTION CITATION:	SECTION TITLE	EXPLANATION
69-50, Section I	Purpose	This section sets forth the purpose of the regulation. The regulation is designed to establish rules and standards for continuing education requirements for licensed producers.
69-50, Section II	Scope	This section provides that it applies to licensed producers in this state and lists certain exceptions to the continuing education requirements.

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69-50, Section III	Definitions	This section provides definitions of terms used in the regulation. Terms such as approved course, approved instructor, competency examination, credit hour and others are defined.
69-50, Section IV	Sponsor Approval	This section sets forth the requirements for sponsor approval by the Department. The section also sets forth record keeping requirements for sponsors.
69-50, Section V	Course Approval	This section provides details regarding the course material that must be submitted by an approved sponsor to the Department for its approval. The section also sets forth an appeal process in the event a submitted course is disapproved.
69-50, Section VI	Instructor Approval	This section sets forth the requirements for instructor approval by the Department. The section also sets forth the responsibilities of instructors in presenting the course materials and record keeping.
69-50, Section VII	Certification	This section provides that Approved Sponsors of approved courses must submit class rosters to the Continuing Education Administrator and must provide a certification of course completion to an individual who successfully completes an approved course.
69-50, Section VIII	Forms	This section provides that all applications for course approval, sponsor approval and instructor approval shall be on forms specified by the Director. The section further provides that class completion rosters must be submitted electronically to the CE Administrator; however, individual course completion certificates must be provided to the producer.
69-50, Section IX	Advertising	This section provides that a course may not be advertised as an approved course until approval has been received from the Department. It further provides that announcements, advertisements and information about courses designated as approved courses by the Department shall contain a statement that the course has been approved and provide information on the number of credit

69-50, Section X	Fees	<p>hours approved and the type of license to which the credit may apply. This section provides that producers subject to continuing insurance education requirements are responsible for payment of a reasonable annual recordkeeping fee to the Continuing Education Administrator and that the license and appointment(s) of any producer who does not pay the continuing education recordkeeping fee by the compliance deadline will be suspended. The section also sets forth the requirements to reactivate the producer's license and appointment(s).</p>
69-50, Section XI	Continuing Education Hours	<p>This section sets forth the requirement that a producer must complete twenty-four hours of approved continuing education credits by the biennial compliance deadline or his license and appointment(s) will be suspended. The section also sets forth the requirements to for a producer to reactivate the license within a six month period. If not reactivated within six months, the license is canceled.</p>
69-50, Section XII	Noncompliance	<p>This section sets forth the consequences of noncompliance with the continuing education requirements by producers, approved sponsors and approved instructors. Approved sponsors and instructors who fail to comply with the provisions of section 38-43-106 of the South Carolina Code of Laws or with the provisions of these regulations are subject to a fine, suspension of approval or termination of approval. Producers who fail to comply are subject to license suspension and cancellation.</p>
69-50, Section XIII	Hardship	<p>This section sets forth the procedure and requirements for a producer to apply for a hardship extension of the continuing education requirements.</p>
69-50, Section XIV	Administration of Continuing Education Requirements	<p>This section provides that the Director is responsible for administering the continuing insurance education requirements and that he may designate a Continuing Education</p>

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Administrator within the Department or, in the alternative, contract with an outside service provider to function as continuing education administrator and to provide record-keeping services.

69-50, Section XV

Effective Date

This section provides the effective date of the regulation.

### **Notice of Public Hearing and Opportunity for Public Comment:**

Should a hearing be requested pursuant to Section 1-23-110(A)(3) of the S. C. Code, as amended, such hearing will be held on March 16, 2009 at 10:00 A.M. in the Administrative Law Court, Columbia, South Carolina. Persons desiring to make oral comment at the hearing are asked to provide written copies of their presentation for the record. If a qualifying request pursuant to Section 1-23-110(A)(3) is not timely received, the hearing will be canceled.

Written comments, requests for the text of the proposed regulation or any other information, and any requests for a public hearing, should be submitted to Rachel Harper, South Carolina Department of Insurance, P. O. Box 100105, Columbia, S.C. 29202-2105, on or before 5:00PM on February 23, 2009. Copies of the text of the proposed regulation for public notice and comment are available at [www.doi.sc.gov](http://www.doi.sc.gov).

### **Preliminary Fiscal Impact Statement:**

There will be no increased costs to the state or its political subdivisions.

### **Statement of Need and Reasonableness:**

DESCRIPTION OF REGULATION: Continuing Insurance Education

Purpose: The proposed regulation will provide guidance to producers and continuing education sponsors, instructors and continuing education administrators on compliance with the statutory continuing education requirements for producers.

Legal Authority: 1976 S.C. Code Ann. Sections 1-23-10 et seq., 38-3-110(2) and 38-43-106.

Plan for Implementation: The proposed regulation will be implemented by the S.C. Department of Insurance.

### **DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:**

The proposed regulation is needed to provide direction to producers and course sponsors, instructors, proctors and continuing education administrators regarding the continuing education requirements for producers. The regulation provides information regarding necessary qualifications, procedures and recordkeeping requirements for approved courses, approved sponsors and approved instructors. The regulation also provides producers licensed in this state with details regarding their continuing education requirements and consequences for failure to meet those requirements within the compliance period.

DETERMINATION OF COSTS AND BENEFITS:

Promulgation of this regulation will not result in additional costs to the state or its political subdivisions. The proposed regulation will benefit our state by ensuring that the Department complies with uniformity standards of the National Association of Insurance Commissioners (NAIC) and will clarify producer education guidelines.

UNCERTAINTIES OF ESTIMATES:

None.

EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:

The proposed regulation will have no impact on the environment or public health. The anticipated public benefits of this proposed regulation include clarification of producer continuing education requirements and requirements for approval of sponsors, courses and instructors.

DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:

Promulgation of this regulation is crucial to providing guidance and clarification to insurance producers on their continuing education requirements and to setting out qualifications and procedures for sponsors and instructors of continuing education courses designed to meet those requirements.

**Statement of Rationale:**

The Continuing Insurance Education regulation is being updated to reflect the statutory amendments enacted by South Carolina Act 326 of 2008. The amendments to the regulation are needed to clarify and update the continuing insurance education requirements for producers and to provide direction to sponsors, instructors and administrators offering continuing education courses and maintaining records of continuing education compliance by producers.

**Text:**

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.scstatehouse.net/regnsrch.htm>. Full text may also be obtained from the promulgating agency.

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Document No. 4058  
**DEPARTMENT OF INSURANCE**  
CHAPTER 69

Statutory Authority: 1976 Code Sections 1-23-10 et seq., 38-3-110(2), and 38-21-300

### 69-14. Insurance Holding Company Systems

#### **Preamble:**

The Insurance Holding Company Systems Regulation currently requires three complete copies of each statement including exhibits and all other papers and documents shall be filed with the Department. In order to increase efficiency in the review of these documents and utilize current technology, the proposed amendments to the regulation will require one hard copy and an electronic filing of all statements and reports required by S. C. Code Sections 38-21-60, 38-21-70, 38-21-140, 38-21-150 and 38-21-250. The proposed amendments also substitute the word "Director" for "Commissioner."

Notice of drafting for the proposed regulation was published in the *State Register* on November 28, 2008.  
Section-by-Section Discussion

The proposed regulation shall include the following sections:

SECTION CITATION:	SECTION TITLE	EXPLANATION
69-14, Section I	Forms - General Requirements	This section sets forth the requirements for the preparation of the statements required by S.C. Code Sections 38-21-60, 38-21-70, 38-21-140, 38-21-150 and 38-21-250.
69-14, Section II	Forms - Incorporation by Reference, Summaries and Omissions	This section sets forth the requirements for incorporation by reference in any statement or Form and for summaries or outlines of the document provisions.
69-14, Section III	Forms - Information unknown or unavailable and Extension of Time to Furnish.	This section sets forth the requirements that apply when required information is either unknown or unavailable to the person filing the statement. The regulation requires that the person filing the statement must provide a statement either showing that unreasonable effort or expense would be involved in providing the information. The regulation also provides that an extension of time may be requested to furnish the required information.
69-14, Section IV	Additional information and Exhibits	This section sets forth the requirement that any further material information as may be necessary to clarify the information contained in any statement is to be provided. The regulation also provides for the filing of any exhibits to be marked so as to clearly indicate the subject matter to

69-14, Section V	Definitions	<p>which they refer.</p> <p>This section sets forth the definitions of terms used in the regulation such as: executive officer, foreign insurer and ultimate controlling person.</p>
69-14, Section VI	Subsidiaries of Domestic Insurers	<p>This section explains the authority to invest in subsidiaries under S.C. Code Section 38-21-30 is in addition to any authority to invest in subsidiaries contained in any other provision of Title 38 of the Code.</p>
69-14, Section VII	Acquisition of Control-Statement Filing	<p>This section sets forth the requirement that a person required to file a statement pursuant to SC Code Sections 38-21-60 and 38-21-70 shall furnish the required information on Form A.</p>
69-14, Section VIII	Amendments to Form A	<p>This section sets forth the requirement that any changes in the information furnished on Form A after the date furnished but prior to the Director's disposition of the application must be promptly furnished by the applicant.</p>
69-14, Section IX	Acquisition of Section 38-21-60 Insurers	<p>This section sets forth the requirement that if the person being acquired is a "domestic insurer" solely because of the provision of S.C. Code Section 38-21-60, the name of the domestic insurer on the cover page should indicate that it is a subsidiary of the Holding Company.</p>
69-14, Section X	Annual Registration of Insurers-Statement Filing	<p>Sets forth the requirement that an insurer required to file an annual registration must furnish the required information on Form B.</p>
69-14, Section XI	Summary of Registration-Statement Filing	<p>Sets forth the requirement that insurers must furnish certain information on Form C.</p>
69-14, Section XII	Alternative and Consolidated Registrations	<p>This section provides for alternative registration statements for affiliated insurers required to register under Section 38-21-130. The section further provides that it is a question of fact whether the filing insurer is the principal insurance company in the insurance holding company system and requires the insurer filing the statement in lieu of Form B to set forth a statement of facts which will substantiate the claim that the filing insurer is the principal insurer.</p>

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69-14, Section XIII	Disclaimers of Affiliation and termination of Registration.	Sets forth the requirements for a disclaimer of affiliation or a request for termination of registration.
69-14, Section XIV	Transactions Subject to Prior Notice—Notice Filing	This section provides that notice of a proposed transaction pursuant to S.C. Code Section 38-21-250 shall be furnished on Form D.
69-14, Section XV	Extraordinary Dividends and Other Distributions	Sets forth the requirements that must be met in order for the approval of a request for extraordinary dividends or distributions to shareholders.
69-14, Section XVI	Adequacy of Surplus	Sets forth that the Director may consider the net effect of the factors set forth in S.C. Code Section 38-21-260 and the extent to which each factor varies from company to company.
69-14, Section XVII	Severability	Sets forth that if any provision of this regulation is held to be invalid, the remainder of the regulation will not be affected.
69-14, Section XVIII	Effective Date	Sets forth the effective date.

### **Notice of Public Hearing and Opportunity for Public Comment:**

Should a hearing be requested pursuant to Section 1-23-110(A)(3) of the S. C. Code, as amended, such hearing will be held on March 23, 2009 at 10:00 A.M. in the Administrative Law Court, Columbia, South Carolina. Persons desiring to make oral comment at the hearing are asked to provide written copies of their presentation for the record. If a qualifying request pursuant to Section 1-23-110(A)(3) is not timely received, the hearing will be canceled.

Written comments, requests for the text of the proposed regulation or any other information, and any requests for a public hearing, should be submitted to Rachel Harper, South Carolina Department of Insurance, P. O. Box 100105, Columbia, S.C. 29202-2105, on or before 5:00PM on February 23, 2009. Copies of the text of the proposed regulation for public notice and comment are available at [www.doi.sc.gov](http://www.doi.sc.gov).

### **Preliminary Fiscal Impact Statement:**

There will be no increased costs to the state or its political subdivisions.

### **Statement of Need and Reasonableness:**

DESCRIPTION OF REGULATION: Insurance Holding Company Systems

Purpose: The current regulation requires three paper copies of all required statements and exhibits. These submissions are generally quite voluminous. The proposed regulation provides for one hard copy and an electronic filing of statements and exhibits required by S. C. Code Sections 38-21-60, 38-21-70, 38-21-140, 38-21-150 and 38-21-250. An electronic filing will save the Department time in processing and examining these various filings and will save insurers who are required to make these filings the costs of printing the extra paper copies and postage in transmitting them to the Department.

Legal Authority: S.C. Code Sections 38-3-110(2), 38-21-300, and 1-23-10 et seq.

Plan for Implementation: The proposed regulation will be implemented by the S.C. Department of Insurance.

**DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:**

The proposed regulation is needed to increase efficiency in review of required statements and exhibits submitted to the Department.

**DETERMINATION OF COSTS AND BENEFITS:**

Promulgation of this regulation will not result in additional costs to the state or its political subdivisions. The proposed regulation will benefit our state by increasing efficiency in the review process of required statements and exhibits submitted to the Department.

**UNCERTAINTIES OF ESTIMATES:**

None.

**EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:**

The proposed regulation will have no impact on the environment or public health. The anticipated public benefits of this proposed regulation include enhanced use of electronic filing and reduced volume of paper coming in to the Department, both of which will increase the efficiency in the review of required reports. The process will also benefit insurers required to submit the reports and statements by reducing the volume of paper copies required for each submission.

**DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:**

Promulgation of this regulation is crucial to increasing efficiency in review of the reports and exhibits required to be submitted to the Department. Electronic filing will save time in processing and examining these various filings that are often voluminous. Also, it will benefit the Department's "Risk Focused" examination process by already having this information available electronically.

**Statement of Rationale:**

The Insurance Holding Company Systems regulation is being updated to reflect changes in technology and provide for submission of one hard copy and an electronic filing for each statement and exhibits to be filed with the Director.

**Text:**

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.scstatehouse.net/regnsrch.htm>. Full text may also be obtained from the promulgating agency.

## 28 PROPOSED REGULATIONS

Document No. 4059  
**DEPARTMENT OF INSURANCE**  
CHAPTER 69

Statutory Authority: 1976 Code Sections 1-23-10 et seq., 38-3-110(2) and 38-77-530

69-63. South Carolina Reinsurance Facility Recoupment

### **Preamble:**

The South Carolina Department of Insurance proposes to amend Regulation 69-63, South Carolina Reinsurance Facility Recoupment. The amendments to Regulation 69-63 will address any excess recoupment collected in the South Carolina Reinsurance Facility run off.

Notice of drafting for the proposed regulation was published in the *State Register* on November 28, 2008.

### Section-by-Section Discussion

The proposed regulation shall include the following sections:

SECTION CITATION:	SECTION TITLE	EXPLANATION
69-63, Section A	Purpose	This section sets forth the purpose of the regulation. The regulation is designed to implement the provisions of S.C. Code Section 38-77-530 that require individuals who have insurance merit rating points pursuant to the Uniform Merit Rating Plan to be surcharged for the recoupment of any facility assessments or losses.
69-63, Section B	Basis of Recoupment	This section sets forth as the basis of recoupment a premium surcharge of 10% of liability premium to be made on all drivers having points.
69-63, Section C	Schedule of Recoupment	This section provides that annually, the director is to compare the funds collected by the surcharge with the projected runoff and reduce the percentage surcharge from 10% to a lower amount or eliminate the surcharge completely if the runoff obligations of the South Carolina Reinsurance Facility have been funded completely. The amendments will provide direction to the Facility for handling any excess funds collected and how those funds are to be utilized. The amendment will also provide a definition of the term "Ultimate Facility Debt."

**Notice of Public Hearing and Opportunity for Public Comment:**

Should a hearing be requested pursuant to Section 1-23-110(A)(3) of the S. C. Code, as amended, such hearing will be held on March 18, 2009 at 10:00 A.M. in the Administrative Law Court, Columbia, South Carolina. Persons desiring to make oral comment at the hearing are asked to provide written copies of their presentation for the record. If a qualifying request pursuant to Section 1-23-110(A)(3) is not timely received, the hearing will be canceled.

Written comments, requests for the text of the proposed regulation or any other information, and any requests for a public hearing, should be submitted to Rachel Harper, South Carolina Department of Insurance, P. O. Box 100105, Columbia, S.C. 29202-2105, on or before 5:00PM on February 23, 2009. Copies of the text of the proposed regulation for public notice and comment are available at [www.doi.sc.gov](http://www.doi.sc.gov).

**Preliminary Fiscal Impact Statement:**

There will be no increased costs to the state or its political subdivisions.

**Statement of Need and Reasonableness:**

DESCRIPTION OF REGULATION: South Carolina Reinsurance Facility Recoupment

Purpose: The proposed regulation will provide direction to the Reinsurance Facility for the handling of any excess funds collected by the Facility in excess of the Facility's ultimate debt.

Legal Authority: S.C. Code Sections 1-23-10 et seq., 38-3-110(2) and 38-77-530.

Plan for Implementation: The proposed regulation will be implemented by the S.C. Department of Insurance.

**DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:**

The proposed regulation is needed to provide direction to the Facility as to the handling of any surplus recoupment collected in excess of the ultimate Facility debt and how any excess funds collected should be utilized.

**DETERMINATION OF COSTS AND BENEFITS:**

Promulgation of this regulation will not result in additional costs to the State or its political subdivisions. The proposed regulation will benefit our state by directing that any excess funds collected by the Facility be forwarded to the South Carolina Department of Motor vehicles for the enforcement of the uninsured motorist laws of South Carolina.

**UNCERTAINTIES OF ESTIMATES:**

None.

**EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:**

The proposed regulation will have no impact on the environment or public health. The anticipated public benefits of this proposed regulation include the use of any excess recoupment charges collected by the Facility for enforcement of the uninsured motorist laws of South Carolina.

## 30 PROPOSED REGULATIONS

### DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:

Promulgation of this regulation is crucial to providing direction to the South Carolina Reinsurance Facility on the handling of any excess recoupment collected and to direct the Department of Motor Vehicles on the use of any excess funds received from the Facility.

#### Statement of Rationale:

The operation of the South Carolina Reinsurance Facility (Facility) is scheduled to terminate effective January 1, 2010. The projections developed by the Facility's Board of Governors indicate that if all companies cease the collection of recoupment surcharges on new and renewal policies with effective dates of December 15, 2008 and after, the ultimate debt of the Facility should be satisfied. Accordingly, the Director of the Department of Insurance issued Order 2008-004 directing companies to cease collection of the facility recoupment surcharge on all applicable new and renewal automobile insurance policies with an effective date of December 15, 2008 or after. That order further directed that any resulting surplus recoupment collected in excess of the ultimate Facility debt that is determined upon the final Facility settlement with member companies be deposited into the General Fund of the State until otherwise directed by enactment of the South Carolina General Assembly. The amendment to the regulation provides a definition of the term "ultimate facility debt" and provides that any excess recoupment is to be forwarded to the South Carolina Department of Motor Vehicles for the enforcement of the uninsured motorist laws of South Carolina. This use is consistent with the purpose of the Reinsurance Facility which was to reduce the number of uninsured motorists in South Carolina.

#### Text:

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.scstatehouse.net/regnsrch.htm>. Full text may also be obtained from the promulgating agency.

Document No. 4060  
**DEPARTMENT OF INSURANCE**  
CHAPTER 69

Statutory Authority: 1976 Code Sections 1-23-110 et seq., 38-3-110, 38-3-60, 38-57-10 et seq., 38-63-10, 38-65-10 and 38-69-10

### 69-30. Life Insurance Disclosure Regulation

#### Preamble:

The amendments to the Life Insurance Disclosure Regulation will update and clarify for insurers and producers the requirements for disclosure in the sales and solicitation of life insurance products. Specific disclosure requirements are being added for preneed funeral contracts.

Notice of drafting for the proposed regulation was published in the State Register on September 26, 2008.

#### Section-by-Section Discussion

- Section A. Sets forth the authority for the regulation.
- Section B. Sets forth the purpose of the regulation.
- Section C. Sets forth the scope of the regulation.

- Section D. Sets forth terms and definitions contained within the regulation.
- Section E. Sets forth the duties of insurers.
- Section F. Sets forth the information that must be provided when an application is made for a preneed funeral contract.
- Section G. Sets forth general rules for insurers and producers.
- Section H. Sets forth what constitutes a violation of the regulation.
- Section I. Sets forth the effective date.

**Notice of Public Hearing and Opportunity for Public Comment:**

Should a hearing be requested pursuant to Section 1-23-110(A)(3) of the S. C. Code, as amended, such hearing will be held on March 25, 2009 at 2:00 P.M. in the Administrative Law Court, Columbia, South Carolina. Persons desiring to make oral comment at the hearing are asked to provide written copies of their presentation for the record. If a qualifying request pursuant to Section 1-23-110(A)(3) is not timely received, the hearing will be canceled.

Written comments, requests for the text of the proposed regulation or any other information, and any requests for a public hearing, should be submitted to Rachel Harper, South Carolina Department of Insurance, P. O. Box 100105, Columbia, S.C. 29202-2105, on or before 5:00PM on February 23, 2009. Copies of the text of the proposed regulation for public notice and comment are available at [www.doi.sc.gov](http://www.doi.sc.gov).

**Preliminary Fiscal Impact Statement:**

There will be no increased costs to the state or its political subdivisions.

**Statement of Need and Reasonableness:**

DESCRIPTION OF REGULATION: Life Insurance Disclosure Regulation

Purpose: The proposed regulation provides for disclosures by producers and insurers selling or soliciting the sale of life insurance policies. The disclosures provide that certain information is to be furnished to prospective purchasers of life insurance in order to prevent misrepresentation of policies and to enable the insurance purchaser to accurately determine his or her insurance needs and make comparisons of various insurance policies.

Legal Authority: S.C. Code Sections 1-23-110 et seq., 38-3-110, 38-3-60, 38-63-10, 38-65-10, 38-69-10, and Chapter 57 of the 1976 Code of Laws of South Carolina, as amended.

Plan for Implementation: The proposed regulation will be implemented by the S.C. Department of Insurance.

**DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:**

The proposed amendments to the regulation are needed to protect the prospective purchasers of life insurance policies in this state.

## **32 PROPOSED REGULATIONS**

### **DETERMINATION OF COSTS AND BENEFITS:**

Promulgation of this regulation will not result in additional costs to the state or its political subdivisions. The proposed regulation will benefit our state by updating and clarifying disclosure requirements for insurers and producers selling or soliciting the sale of life insurance products and preneed funeral contracts ensuring that all companies and producers are acting responsibly and that consumers are fully informed of their options.

### **UNCERTAINTIES OF ESTIMATES:**

None.

### **EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:**

The proposed regulation will have no impact on the environment or public health. The anticipated public benefits of this proposed regulation are increased disclosures to prospective purchasers of life insurance policies thereby enabling these consumers to make informed decisions regarding their insurance needs.

### **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:**

Promulgation of this regulation is needed to: 1) update and clarify the disclosure requirements for sales or solicitation of life insurance policies; 2) provide safeguards for consumers considering the purchase of a life insurance product and 3) promote responsible sales and solicitation practices of insurers and producers by clarifying the disclosure requirements in the sales and solicitation of life insurance and preneed funeral contracts.

### **Statement of Rationale:**

The amendments to the Life Insurance Disclosure Regulation will update and clarify for insurers and producers the requirements for disclosure in the sales and solicitation of life insurance and preneed funeral contracts. These disclosures will allow consumers interested in purchasing life insurance or preneed contracts to better evaluate and compare life insurance policies.

### **Text:**

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.scstatehouse.net/regnsrch.htm>. Full text may also be obtained from the promulgating agency.

Document No. 4061  
DEPARTMENT OF INSURANCE  
CHAPTER 69

Statutory Authority: 1976 Code Sections 1-23-110 et seq., 38-3-110 et seq., and 38-13-300

69-35. Valuation of Investments

**Preamble:**

The Department proposes to repeal in its entirety Regulation 69-35, Valuation of Investments. Regulation 69-35 was promulgated to implement the requirements of Section 38-11-10 et seq. Chapter 11 of Title 38 was repealed by 2002 Act No. 319, Section 3, eff June 3, 2002. Consequently, Regulation 69-35, which implements this statutory provision, is no longer necessary. Section 38-13-80 is now the standard for valuing and admitting assets.

A Notice of Drafting for the repeal of Regulation 69-35 was published on November 28, 2008 in Volume 32, Issue No. 11, of the *State Register*.

Section-by-Section Discussion

Repeal Regulation 69-35 Valuation of Investments in its entirety.

**Notice of Public Hearing and Opportunity for Public Comment:**

Should a hearing be requested pursuant to Section 1-23-110(A)(3) of the S. C. Code, as amended, such hearing will be held on March 9, 2009 at 10:00 A.M. in the Administrative Law Court, Columbia, South Carolina. Persons desiring to make oral comment at the hearing are asked to provide written copies of their presentation for the record. If a qualifying request pursuant to Section 1-23-110(A)(3) is not timely received, the hearing will be canceled.

Written comments, requests for the text of the proposed regulation or any other information, and any requests for a public hearing, should be submitted to Rachel Harper, South Carolina Department of Insurance, P. O. Box 100105, Columbia, S.C. 29202-2105, on or before 5:00PM on February 23, 2009. Copies of the text of the proposed regulation for public notice and comment are available at [www.doi.sc.gov](http://www.doi.sc.gov).

**Preliminary Fiscal Impact Statement:**

There will be no additional cost incurred by the State or any political subdivision.

**Statement of Need and Reasonableness:**

This statement of need and reasonableness was determined by staff analysis pursuant to S.C. Code Section 1-23-115(C)(1) through (3) and (9) through (11).

DESCRIPTION OF REGULATION:

Purpose: The Department proposes to repeal Regulation 69-35 as it is no longer necessary. Section 38-13-80 is now the standard for valuing and admitting assets. Regulation 69-35 was promulgated to implement Chapter 11 of Title 38 of the South Carolina Code. Chapter 11 was repealed in 2002.

Legal Authority: The legal authorities for the repeal of Regulation 69-35, Valuation of Investments, are Sections 1-23-110 et seq., 38-3-110 et seq., and 38-13-300.

## 34 PROPOSED REGULATIONS

Plan for Implementation: The repeal of Regulation 69-35 will take effect upon approval by the General Assembly and publication in the *State Register*.

### DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:

The purpose of this regulation was to implement Chapter 11 of Title 38 of the Code of Laws of South Carolina (1976). Chapter 11 was repealed by 2002 Act No. 319, Section 3, eff June 3, 2002. S.C. Code Section 38-13-80 is now the standard for valuing and admitting assets and requires that the annual statement is to be prepared in accordance with the annual statement instructions and the Accounting Practices and Procedures Manual adopted by the National Association of Insurance Commissioners.

### DETERMINATION OF COSTS AND BENEFITS:

There will be no increased cost to the State or its political subdivisions, nor will the repeal of Regulation 69-35 result in any increased cost to the regulated community.

### UNCERTAINTIES OF ESTIMATES:

There are no uncertainties of estimates concerning the repeal of this regulation.

### EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:

The repeal of this regulation will have no impact on the environment or public health.

### DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:

The repeal of this regulation will have no detrimental effect on the environment and public health of this State. The regulation is no longer effective as Chapter 11 of Title 38 of the S.C. Code upon which it was based has been repealed.

### Text:

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.scstatehouse.net/regnsrch.htm>. Full text may also be obtained from the promulgating agency.

Document No. 4055  
**DEPARTMENT OF LABOR, LICENSING AND REGULATION**  
CHAPTER 71  
Statutory Authority: 1976 Code Sections 41-3-40 and 41-8-120

71-7001. through 71-7003. Illegal Aliens and Private Employment

**Preamble:**

The Department of Labor, Licensing and Regulation proposes to add Regulations 71-7001 through 71-7003 to implement the Illegal Aliens and Private Employment Act, 2008 Act No. 280.

Section by Section Discussion

71-7001. Administrative Review of any revocation, civil penalty, or other disciplinary action against the employment license of a private employer.

New section; provides informal conference and contested case hearing requirements for private employers.

71-7002. Audit Program.

New section; provides audits for workplaces.

71-7003. Records Retention.

New section; provides record retention requirements of verification of immigration status for all employees for three (3) years.

**Notice of Public Hearing and Opportunity for Public Comment:**

Should a hearing be requested pursuant to Section 1-23-110(b) of the 1976 Code, as amended, such hearing will be conducted at the Administrative Law Court at 10:00 a.m. on Monday, March 30, 2009. Written comments may be directed to Jim Knight, Director of Communications, Department of Labor, Licensing and Regulation, Post Office Box 11329, Columbia, South Carolina 29211-1329, no later than 5:00 p.m. on Monday, March 16, 2009.

**Preliminary Fiscal Impact Statement:**

There will be no increased costs to the State or its political subdivisions.

**Statement of Need and Reasonableness:**

These regulations are added in conformance with current statutory amendments and in order to regulate employee authorization verification.

DESCRIPTION OF REGULATION:

Purpose: The Department is adding the regulations to clarify immigration assistance in this State.

Legal Authority: 1976 Code Section 40-83-30(K).

Plan for Implementation: These regulations will take effect upon approval by the General Assembly and upon publication in the State Register. LLR will notify licensees of the regulations and post the regulations on the agency's web site.

## 36 PROPOSED REGULATIONS

### DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:

The regulations will ensure and improve the safety and welfare of the citizens of the state of South Carolina.

### DETERMINATION OF COSTS AND BENEFITS:

The standardized format of the regulations will assist other regulatory entities with locating requirements within the regulations. There will be no cost increases to the State or its political subdivisions.

### UNCERTAINTIES OF ESTIMATES:

There are no uncertainties of estimates concerning the regulations.

### EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:

There will be no detrimental effects on the environment.

### DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:

The regulations will ensure and improve the safety and welfare of the citizens of this state.

### Statement of Rationale:

Regulations 71-7001 through 71-7003 are added in conformance with current statutory amendments and in order to regulate appropriate documentation and record retention of employee authorization verification.

### Text:

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.scstatehouse.net/regnsrch.htm>. Full text may also be obtained from the promulgating agency.

Document No. 4054  
**DEPARTMENT OF LABOR, LICENSING AND REGULATION**  
CHAPTER 71  
Statutory Authority: 1976 Code Section 40-83-30(L)

71-7000. through 71-7000.6. Registration of Immigration Assistance Services

### Preamble:

The Department of Labor, Licensing and Regulation proposes to add Regulations 71-7000.1 through 71-7000.6 to implement the Registration of Immigration Assistance Services provided for in Section 13 of Act No. 280 of 2008.

### Section by Section Discussion

71-7000. Purpose.  
New section; provides purpose of regulations.

71-7000.1. Change of Address.

New section; provides that licensees shall provide address changes within 10 days.

71-7000.2. Display of License.

New section; provides that licensees shall prominently display licenses at their business address.

71-7000.3. Advertising.

New section; provides that advertisements of licensees shall contain the legal name and license number of the Immigration Assistance Service.

71-7000.4. False or Misleading Information.

New section; provides that licensees shall be subject to licensure denial or disciplinary action for false or misleading information.

71-7000.5. Licensure.

New section; provides that licensees shall be licensed after fees have been paid.

71-7000.6. Administrative Review of any revocation, civil penalty, or other disciplinary action against a license.

New section; provides informal conference and contested case hearing requirements for licensees.

**Notice of Public Hearing and Opportunity for Public Comment:**

Should a hearing be requested pursuant to Section 1-23-110(b) of the 1976 Code, as amended, such hearing will be conducted at the Administrative Law Court at 3:00 p.m. on Monday, March 30, 2009. Written comments may be directed to Jim Knight, Director of Communications, Department of Labor, Licensing and Regulation, Post Office Box 11329, Columbia, South Carolina 29211-1329, no later than 5:00 p.m. on Monday, March 16, 2009.

**Preliminary Fiscal Impact Statement:**

There will be no increased costs to the State or its political subdivisions.

**Statement of Need and Reasonableness:**

These regulations are added in conformance with current statutory amendments and in order to define and regulate immigration assistance.

**DESCRIPTION OF REGULATION:**

**Purpose:** The Department is adding the regulations to implement immigration assistance regulation in this State.

**Legal Authority:** 1976 Code Section 40-83-30(L).

**Plan for Implementation:** These regulations will take effect upon approval by the General Assembly and upon publication in the State Register. LLR will notify licensees of the regulations and post the regulations on the agency's web site.

## **38 PROPOSED REGULATIONS**

### **DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:**

The regulations will ensure and improve the safety and welfare of the citizens of the state of South Carolina.

### **DETERMINATION OF COSTS AND BENEFITS:**

The standardized format of the regulations will assist other regulatory entities with locating requirements within the regulations. There will be no cost increases to the State or its political subdivisions.

### **UNCERTAINTIES OF ESTIMATES:**

There are no uncertainties of estimates concerning the regulations.

### **EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:**

There will be no detrimental effects on the environment.

### **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:**

The regulations will ensure and improve the safety and welfare of the citizens of this state.

### **Statement of Rationale:**

Regulations 71-7000.1 through 71-7000.6 are added in conformance with current statutory amendments and in order to define and regulate immigration assistance.

### **Text:**

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.scstatehouse.net/regnsrch.htm>. Full text may also be obtained from the promulgating agency.

Document No. 4053

### **COMMISSIONERS OF PILOTAGE**

#### **CHAPTER 136**

Statutory Authority: 1976 Code Sections 40-1-70 and 54-15-140

136-080. Enforcement of Pilot Statutes and Maritime Homeland Security

### **Preamble:**

The Commissioners of Pilotage proposes to add Regulation 136-080 to ensure that every vessel subject to maritime pilotage receives a pilot on board, as charged under Section 54-15-110 and 54-15-280 of the 1976 S.C. Code, as amended, as well as Part 136-070C. No person, other than a duly licensed pilot, is permitted to conduct and pilot any vessel over the bar, into and out of any South Carolina harbor. Part 136-070C of the S.C. Code of Regulations requires that a licensed pilot shall consider any circumstance wherein a master or operator of any seagoing vessel refuses to take a pilot as a "hazardous condition" and must immediately be reported to the Coast Guard. Under Section 40-1-200 of the 1976 S.C. Code, as amended, a person acting as a pilot without licensure constitutes a Class C misdemeanor as defined in Section 16-1-100. In order to establish a process to ensure compliance with these statutes and regulations, a new Part 136-080 is added to the S.C. Code

of Regulations. In addition, this proposed regulation addresses the present role of pilots on the front line of the effort to achieve maritime homeland security.

#### Section by Section Discussion

136-080. Enforcement of Pilot Statutes and Maritime Homeland Security.

A. The U. S. Department of Homeland Security requires that certain vessels submit an advance Notice of Arrival (NOA) 96 hours before their intended ETA at the dock. Vessels over 300 Gross Tons (GT) are required to be equipped with an Automatic Identification System (AIS) and to have their AIS energized when operating on U.S. Territorial Waters, meaning inside the “12-mile limit”. Seagoing tugs and barges in domestic trade are exempted from the NOA and requirements. Many other vessels are also exempted from AIS and NOA including fishing vessels and pleasure craft less than 300 GT. All foreign flag vessels must take State pilots, regardless of size, except small yachts. The only way for the USCG and the State to ascertain if a pilot is taken on board those vessels requiring pilotage is when a pilot vessel detects such a vessel preparing to enter port. The most frequent abusers of the pilotage statutes are seagoing tank barges that are regulated under 46 CFR 15.812(b) in which case tug boat masters may serve as “pilots” without portfolio, if they have made a minimum number of round trips in and out of the port. However, large foreign flagged yachts less than 300 GT may also require pilotage depending upon their draft. Typically, merchant ships routinely issue orders for pilotage, but on occasion large ships have failed to do so and, upon detection, the pilots advise them of the requirements. Vessels frequently approach the Pilot Station without having their AIS energized and the first detection of these vessels is by the pilot vessels.

B. This is a long-standing regulation for reporting “hazardous conditions”. However, the not infrequent circumstances wherein an American-flagged tug and barge with unknown pilot capability on board is transiting the bar and harbor can present a navigational safety hazard about which other marine traffic should be made cognizant, expeditiously. A “SECURITE” broadcast is the prescribed means of initiating such alerts. Normally the USCG investigates these questionable pilot cases after the transit has been completed. In the event that the unpiloted vessel is foreign-flagged, the USCG and other Homeland Security agencies will have been alerted and immediate interdiction operations initiated. A SECURITE” alert in such cases may not be appropriate for national interests.

C. Some of the reasons for this paragraph are included in the explanation for Paragraph A. However, the primary reason for this “stand alone” paragraph is to incorporate the phraseology of the S.C. Naval Militia laws and regulations as a Commissioners’ mandate for pilots and the crews of State regulated pilot vessels. Further, this will provide a specific point of contact for making reports of suspicious events and activities or possible illegal actions observed by such pilot personnel on the bar and in the harbor.

D. While pilots and pilot vessels are the primary discovery agents of violations of the pilotage laws and regulations, a significant “law enforcement” role also derives from the provisions of Chapter 17, Title 54, S.C. Code, as it pertains to maritime homeland security and the S.C. Naval Militia. Under the U.S. Department of Homeland Security, terrorism is considered as a law enforcement issue. The State licensed pilots and their pilot vessels are designated by statute as part of Division II of the S.C. Naval Militia with distinct roles and missions in pursuing maritime domain awareness. This paragraph reiterates that role while such vessels and pilots fall under the normal regulatory umbrella of the Commissioners.

E. This paragraph reaffirms the operational control of the pilot vessels, as specified in State law and regulation, and retains the established concept of merchant marine autonomy in support of its intended civil missions. In this case, the Commissioners are authorizing certain federal and state homeland security operations to occur at any time concomitantly with pilot operations. The USCG has the authority to exercise full control over any vessel during exacerbated Maritime Security Conditions.

#### **Notice of Public Hearing and Opportunity for Public Comment:**

Should a hearing be requested pursuant to Section 1-23-110(b) of the 1976 Code, as amended, such hearing will be conducted at the Administrative Law Court at 9:00 a.m. on Monday, March 9, 2009. Written comments may be directed to Randall L. Bryant, Administrator, Commissioners of Pilotage, Department of Labor,

## **40 PROPOSED REGULATIONS**

Licensing and Regulation, Post Office Box 11329, Columbia, South Carolina 29211-1329, no later than 5:00 p.m. on Monday, February 23, 2009.

### **Preliminary Fiscal Impact Statement:**

There will be no increased costs to the State or its political subdivisions.

### **Statement of Need and Reasonableness:**

#### DESCRIPTION OF REGULATION:

Purpose: To enforce pilotage statutes and regulations.

Legal Authority: Sections 54-15-140 and 40-1-70.

Plan for Implementation: The amended regulation will take effect upon approval by the General Assembly and upon publication in the State Register. LLR will notify licensees of the amended regulation and post the amended regulation on the agency's web site.

#### DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:

The proposed regulation is necessary in order to ensure compliance with the statutes and regulations concerning pilotage.

#### DETERMINATION OF COSTS AND BENEFITS:

There will be no additional costs incurred by the State or any political subdivision.

#### UNCERTAINTIES OF ESTIMATES:

There are no uncertainties of estimates concerning this regulation.

#### EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH:

This regulation will have no effect on the environment of this State. The public health of the State will be enhanced by ensuring compliance with pilotage statutes and regulations.

#### DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:

There will be no detrimental effects on the environment and public health if the regulation is not implemented in this State.

### **Statement of Rationale:**

Regulation 136-080 is added to ensure that every vessel subject to maritime pilotage receives a pilot on board.

### **Text:**

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.scstatehouse.net/regnsrch.htm>. Full text may also be obtained from the promulgating agency.

Filed: December 23, 2008 2:02pm

Document No. 4051  
**DEPARTMENT OF INSURANCE**  
 CHAPTER 69

Statutory Authority: 1976 Code Sections 1-23-110 et seq., 38-3-110, 38-9-180, and  
 38-63-510 et seq.

69-57.3. Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values

**Emergency Situation:**

The emergency regulation promulgated on September 25, 2008 will expire on December 23, 2008. The emergency regulation was both filed and will expire during a time when the General Assembly was not in session. Pursuant to the provisions of S.C. Code Section 1-23-130, in order to allow insurers to continue to use the 1980 CSO tables until such time as a joint resolution is passed approving a permanent regulation, refiling the emergency regulation is necessary.

Based on a report commissioned by the Society of Actuaries (Society) the Life and Health Actuarial Task Force of the National Association of Insurance Commissioners recently determined that the use of the 2001 CSO table for preneed life insurance policies does not appropriately reflect the mortality experience of preneed life insurance. Preneed policies are policies offered by life insurers to cover funeral and burial expenses. The Society found that the 2001 CSO table produces inadequate reserves for preneed life insurance. These inadequate reserves could ultimately affect the solvency of the insurers offering these products, their ability to pay claims and hence, the welfare of the beneficiaries of the policy. However, effective on January 1, 2009 the use of the 2001 CSO mortality table by all life companies is mandatory.

Promulgation of this regulation is crucial to: 1) ensuring that preneed life insurance reserves are at an appropriate level so that insurers are able to honor their policyholder obligations; 2) promoting a responsible competitive environment by ensuring all companies are acting responsibly, 3) creating equitable value for consumers by increasing cash values; and 4) promoting the reliability, solvency and financial stability of insurance companies by increasing the reserve requirement on preneed life insurance policies. Promulgation of this emergency regulation is also necessary to allow insurers a time period to transition to the use of the 1980 Commissioners Standard Ordinary (CSO) Life Valuation Mortality Table for insurance policies and certificates and similar contracts and certificates issued on or after January 1, 2009. This emergency regulation is based on the National Association of Insurance Commissioners' Preneed Values Model Regulation (Model 817) adopted in March, 2008. The use of the 1980 CSO Tables for preneed policies is expected to be formally adopted upon approval of a joint resolution by the General Assembly in the 2009 session.

**Text:**

69-57.3. Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values.

Section 1. Authority

Section 2. Scope

Section 3. Purpose

Section 4. Definitions

## **42 EMERGENCY REGULATIONS**

Section 5. Minimum Valuation Mortality Standards

Section 6. Minimum Valuation Interest Rate Standards

Section 7. Minimum Valuation Method Standards

Section 8. Transition Rules

Section 9. Effective Date

Section 1. Authority

This regulation is promulgated by the Director of Insurance pursuant to South Carolina Code Sections 38-9-180 and 38-63-510 et seq. as well as Regulation 69-57.

Section 2. Scope

This rule applies to preneed insurance contracts, as defined in section 4 of this regulation, and to similar policies and certificates.

Section 3. Purpose

The purpose of this regulation is to establish for preneed insurance products minimum mortality standards for reserves and nonforfeiture values, and to require the use of the 1980 Commissioners Standard Ordinary (CSO) Life Valuation Mortality Table for use in determining the minimum standard of valuation of reserves and the minimum standard nonforfeiture values for preneed insurance products.

Section 4. Definitions

A. "2001 CSO Mortality Table" means that mortality table, consisting of separate rates of mortality for males and female lives, developed by the American Academy of Actuaries CSO Task Force from the Valuation Basic Mortality Table developed by the Society of Actuaries Individual Life Insurance Valuation Mortality Task Force, and adopted by the NAIC in December 2002. The 2001 CSO Mortality Table is included in the Proceedings of the NAIC (2<sup>nd</sup> Quarter 2002). Unless the context indicates otherwise, the "2001 CSO Mortality Table" includes both the ultimate form of that table and the select and ultimate form of that table and includes both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last –birthday bases of the mortality tables.

B. "Ultimate 1980 CSO" means the Commissioners' 1980 Standard Ordinary Life Valuation Mortality Tables (1980 CSO) without ten-year (10-year) selection factors, incorporated into the 1980 amendments to the NAIC Standard Valuation Law approved in December 1983.

C. "Preneed insurance" means any life insurance policy or certificate, which has for its purpose the furnishing or performance of funeral services, or the furnishing or delivery of personal property, merchandise, services of any nature in connection with the final disposition of a dead human body, to be furnished or delivered at a time determinable by the death of the person whose body is to be disposed of, but does not mean the furnishing of a cemetery lot, crypt, niche, mausoleum, grave marker or monument.

### Section 5. Minimum Valuation Mortality Standards

For preneed insurance contracts, as defined in section 4C, and similar policies and contracts, the minimum mortality standard for determining reserve liabilities and nonforfeiture values for both male and female insureds shall be the Ultimate 1980 CSO.

### Section 6. Minimum Valuation Interest Rate Standards

A. The interest rates used in determining the minimum standard for valuation of preneed insurance shall be the calendar year statutory valuation interest rates as defined in South Carolina Code Section 38-9-180.

B. The interest rates used in determining the minimum standard for nonforfeiture values for preneed insurance shall be the calendar year statutory nonforfeiture interest rates as defined in South Carolina Code Section 38-63-510 et seq.

### Section 7. Minimum Valuation Method Standards

A. The method used in determining the standard for the minimum valuation of reserves of preneed insurance shall be the method defined in South Carolina Code Section 38-9-180.

B. The method used in determining the standard for the minimum nonforfeiture values for preneed insurance shall be the method defined in South Carolina Code Section 38-63-510 et seq.

### Section 8. Transition Rules

A. For preneed insurance policies issued on or after the effective date of this regulation and before January 1, 2012, the 2001 CSO may be used as the minimum standard for reserves and minimum standard for nonforfeiture benefits for both male and female insureds.

B. If an insurer elects to use the 2001 CSO as a minimum standard for any policy issued on or after the effective date of this regulation and before January 1, 2012, the insurer shall provide, as a part of the actuarial opinion memorandum submitted in support of the company's asset adequacy testing, an annual written notification to the domiciliary commissioner. The notification shall include:

- (1) A complete list of all preneed policy forms that use the 2001 CSO as a minimum standard;
- (2) A certification signed by the appointed actuary stating that the reserve methodology employed by the company in determining reserves for the preneed policies issued after the effective date and using the 2001 CSO as a minimum standard, develops adequate reserves. (For the purpose of this certification, the preneed insurance policies using the 2001 CSO as a minimum standard cannot be aggregated with any other policies); and
- (3) Supporting information regarding the adequacy of reserves for preneed insurance policies issued after the effective date of this regulation and using the 2001 CSO as a minimum standard for reserves.

C. Preneed insurance policies issued on or after January 1, 2012, must use the Ultimate 1980 CSO in the calculation of minimum nonforfeiture values and minimum reserves.

### Section 9. Effective Date

This regulation is applicable to preneed insurance policies and certificates and similar contracts and certificates, as specified in section 2, issued on or after January 1, 2009.

## **44 EMERGENCY REGULATIONS**

### **Statement of Need and Reasonableness:**

**DESCRIPTION OF REGULATION:** Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values.

**Purpose:** The proposed regulation provides for the use of the 1980 Commissioners Standard Ordinary (CSO) Life Valuation Mortality Table for use in determining the minimum standard of valuation of reserves and the minimum standard nonforfeiture values for preneed insurance products.

**Legal Authority:** S.C. Code Sections 1-23-110 et seq., 38-9-180, 38-63-510 et seq. and Regulation 69-57.

**Plan for Implementation:** The proposed regulation will be implemented by the S.C. Department of Insurance.

### **DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:**

The proposed regulation is needed to appropriately reflect the mortality experience of preneed life insurance and produce adequate reserves for preneed life insurance products.

### **DETERMINATION OF COSTS AND BENEFITS:**

Promulgation of this regulation will not result in additional costs to the state or its political subdivisions. The proposed regulation will benefit our state by increasing necessary reserves to an appropriate level, promoting a responsible competitive environment by ensuring all companies are acting responsibly and creating equitable value for consumers by increasing cash values.

### **UNCERTAINTIES OF ESTIMATES:**

None.

### **EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:**

The proposed regulation will have no impact on the environment or public health. The anticipated public benefits of this proposed regulation include enhanced availability of preneed life insurance and the establishment of adequate reserves.

### **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:**

Promulgation of this regulation is crucial to ensuring that preneed life insurance reserves are at an appropriate level, promoting a responsible competitive environment by ensuring all companies are acting responsibly and creating equitable value for consumers by increasing cash values. The 2001 CSO Tables do not appropriately reflect the mortality experience of preneed life insurance and may produce inadequate reserves.