INTRODUCED

March 4, 2009

**H. 3657**

Introduced by Labor, Commerce and Industry Committee

S. Printed 3/4/09--H.

Read the first time March 4, 2009.

**A** **JOINT RESOLUTION**

TO APPROVE REGULATIONS OF THE DEPARTMENT OF INSURANCE, RELATING TO PRENEED LIFE INSURANCE MINIMUM STANDARDS FOR DETERMINING RESERVE LIABILITIES AND NONFORFEITURE VALUES, DESIGNATED AS REGULATION DOCUMENT NUMBER 4035, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. The regulations of the Department of Insurance, relating to Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values, designated as Regulation Document Number 4035, and submitted to the General Assembly pursuant to the provisions of Article 1, Chapter 23, Title 1 of the 1976 Code, are approved.

SECTION 2. This joint resolution takes effect upon approval by the Governor.

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SUMMARY AS SUBMITTED

BY PROMULGATING AGENCY.

The Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values was recently adopted by the NAIC to provide for 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. The 2001 CSO Tables promulgated in S.C. Code of Regulations 69‑57.1, Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities, do not appropriately reflect the mortality experience of preneed life insurance and may produce inadequate reserves.

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