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Subject: Prepaid Legal Services Certificate of Registration

History: 4528

<u>By</u>	<u>Date</u>	<u>Action Description</u>	<u>Jt. Res. No.</u>	<u>Expiration Date</u>
-	11/28/2014	Proposed Reg Published in SR		
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-	06/04/2015	Approved by: Expiration Date		
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Document No. 4528
DEPARTMENT OF CONSUMER AFFAIRS
CHAPTER 28
Statutory Authority: 1976 Code Sections 37-16-10 et seq.,
Particularly Section 37-16-90

28-1100. Prepaid Legal Services Certificate of Registration

Synopsis:

The department proposes to promulgate Regulation 28-1100 to clarify registration requirements and processes regarding prepaid legal services companies and representatives and to provide for summary submission of representatives for renewal.

Section 37-16-90 authorizes the Department to promulgate regulations necessary to effectuate the purposes of Title 37, Chapter 16.

Notice of Drafting for the proposed regulation was published in the *State Register* on September 26, 2014. Comments were solicited for consideration in drafting the proposed regulation. Proposed regulation was published in the *State Register* on November 28, 2014.

Instructions:

Promulgate Regulation 28-1100. (Prepaid Legal Services Certificate of Registration) as printed below.

Text:

28-1100. Prepaid Legal Services Certificate of Registration.

A. Definitions

Definitions shall be those contained in S.C. Code Ann. S. 37-16-10 et seq. (1976 as amended).

B. Registration of Prepaid Legal Company

(1) All persons or entities wishing to offer prepaid legal services to the general public or a segment of the general public in this State must first obtain a Certificate of Registration from the Administrator of the Department of Consumer Affairs. Initial applications for the Certificate will be made on the forms prescribed by the Administrator and must be accompanied by a fee of \$800.00.

(2) Certificates of Registration will be renewed upon payment of an annual renewal fee of \$800.00 on or before March 1. The renewal period will be between February 1 and March 1 of each year. Renewal requests may be made by letter and must be accompanied by a copy of the company's most recent financial statement certified by two principal officers of the company, or in the case of partnerships or sole proprietorships, by a partner or the proprietor.

C. Prepaid Legal Representatives

(1) Prepaid legal representatives must be registered with the Administrator before commencing any sales or solicitation activity in this State. Each representative must submit an application for registration on forms prescribed by the Administrator.

(2) Companies will consolidate all representative registration applications, prepare a prepaid legal representative appointment summary form prescribed by the Administrator, and submit the summary, all application forms and a non-refundable fee of \$40.00 for each representative listed on the summary form for approval by the Administrator.

(3) Prepaid legal representatives registration will be renewed upon payment of an annual, non-refundable fee of \$40.00 per representative on or before October 1. The renewal period will be between August 1 and October 1 of each year. Renewal requests will be made on the prepaid legal representative appointment summary form prescribed by the Administrator. Individual application forms are not required for the renewal of prepaid legal representatives. The renewal summary form must be accompanied by a check for the total amount of fees due.

(4) When a prepaid legal representative is terminated, the company must notify the Administrator by filing a representative registration cancellation form prescribed by the Administrator within thirty days of termination.

Fiscal Impact Statement:

The Department of Consumer Affairs estimates the costs incurred by the State in complying with the proposed regulation will be approximately \$0.

Statement of Rationale:

Section 37-16-90 specifically provides for the department to promulgate regulations necessary for the implementation of Chapter 16. It is necessary to promulgate a regulation to clarify licensing requirements and provide for summary submission of representatives for renewal.