1333 Main Street, Suite 500 P.O. BOX 1715 Columbia, SC 29202-1715 (803) 737-5704



Information: Irrevocable Letters of Credit

The South Carolina Workers' Compensation Commission may accept an irrevocable letter of credit as proof of compliance instead of a surety bond or securities. The Commission's Self-Insurance Division must determine if the letter of credit is acceptable in format and content, and if the issuing and/or confirming bank is acceptable. The letter of credit must be substantially the format and content as that provided in Form 8B: Irrevocable Letter of Credit, which follows these instructions. The Employer must complete the Memorandum of Understanding between the Commission and the Employer and submit it with the Irrevocable Letter of Credit (Form 8B).

The letter of credit must be issued or confirmed by a bank chartered in South Carolina or a federally-chartered bank with a branch office in this state from which funds will be immediately payable on demand. The Irrevocable Letter of Credit must include the following:

Name of Bank Issuing Office Address, City, State, Zip Confirming Bank (If Applicable) Address, City, State, Zip

Irrevocable Letter of Credit Number Effective Date Date and Place of Expiry Amount (In U.S. Dollars)

Applicant (Name of Self-Insurer) Address, City, State, Zip

Beneficiary: South Carolina Workers' Compensation Commission

1333 Main Street, Suite 500 Post Office Box 1715

Columbia, South Carolina 29202-1715

Credit available with (Name of Bank) by sight draft at (Branch of Bank).

Requirements

The expiration date of this Letter of Credit will be automatically extended without amendment for an additional period of one year from the present or each future expiration date unless not less than sixty (60) days prior to such date the bank notifies the Commission in writing that the bank elects not to renew the letter of credit.

It is further condition of the letter of credit that any interruption of the bank's conduct of business within thirty days of the expiry date caused an act of God, riot, civil commotion, insurrection, war or other cause beyond the bank's control, or by any strike or lockout, will automatically extend the expiry date hereof, as well as future expiry dates, by the period of the interruption beginning on the first day after the interruption on which the bank is open.

The Irrevocable Letter of Credit is not subject to any condition or qualification, and is the bank's individual obligation which is in no way contingent upon reimbursement.

This letter of credit shall be governed by the laws of South Carolina and subject to the Uniform Customs & Practice for Documentary Credits, 1993 Revision, ICC Publication Number 600. If any legal proceedings are initiated with respect to payment of the letter of credit it is agreed that such proceedings shall be subject to South Carolina courts and law.

See R. 67-1516 for further information.

Attach this form to the Memorandum of Understanding and file with the Self-Insurance Division of the Commission within sixty days of the Commission's contingent approval of the application to self-insure. See R. 67-1501 through R. 67-1516 for further information.

Irrevocable Letter of Credit

Name of Self-Insurer:	
Irrevocable Letter of Credit	Number:
Date:	
South Carolina Workers' Con Self-Insurance Administrato 1333 Main Street, Suite 500 Post Office Box 1715	r [*]
Columbia, South Carolina 29	9202-1/15
Dear Sir or Madame:	
	revocable Letter of Credit solely in your favor for drawings up to U.S. \$ effective ring at our (bank address) with our close of
for all or any part of this Le	omptly honor your sight draft(s) drawn on us, indicating our Letter of Credit Number, ter of Credit if presented at (bank address) on any automatically extended date.
	s understanding is not subject to any condition or qualification. The obligation of the Bank, in no way nent with any respect thereto.
expiry date hereof, or any f	er of Credit that it shall be deemed automatically extended without amendment for one year from the uture expiry date, unless sixty (60) days prior to any expiry date we shall notify you in writing that we tter of Credit renewed for any such additional period.
expiry date caused an act o strike or lockout, will autom	Letter of Credit that any interruption of the Bank's conduct of business within thirty days of the f God, riot, civil commotion, insurrection, war or other causes beyond the Bank's control, or by any atically extend the expiry date hereof, as well as future expiry dates, by the period of the interruption fter the interruption on which the bank is open.
Credits, 1993 Revision, ICC	by the laws of South Carolina and subject to the Uniform Customs & Practice for Documentary Publication Number 600. If any legal proceedings are initiated with respect to payment of this Letter uch proceedings shall be subject to South Carolina courts and law.
Bank:	
Address:	
Authorized Signature:	
Title:	

Memorandum of Understanding

South Carolobligations of the Eropy posting a vhich is a S	under the South Carolina Workers' Compe	Commission). The Employer hensation Law, and the Commis \$ The Employed The Commis Credit) issued or confirmed by			
1.	The Letter of Credit is being furnished to conditions established by the Commission		urety bond or other security to meet one of the ire.		
2.	Expiration or cancellation of the Letter of Credit is effective sixty (60) days after the Commission has received written notice of the cancellation.				
3.	If the Commission is notified that the Letter of Credit is being cancelled or will not be renewed and a new letter of credit or surety bond acceptable to the Commission is not filed with the Commission, the Commission may, at its discretion, draw on the Letter of Credit.				
4.	The Commission may, at any time, draw on the Letter of Credit if needed to pay any workers' compensation claim and claims administration expense which are the responsibility of the Employer.				
5.	All proceeds drawn on the Letter of Credit shall be deposited with the State Treasurer.				
6.	The Letter of Credit and this Memorandum of Understanding shall be governed by the laws of South Carolina and subject to the Uniform Customs & Practice for Documentary Credits, 1993 Revision, IIC Publication Number 600. Any action with respect to the Letter of Credit shall be brought in South Carolina and the Employer shall consent to the court's personal jurisdiction over the Employer.				
7.	In this Memorandum of Understanding "Employer" means the following entities which have been approved to self-insure in South Carolina (parent and subsidiaries):				
8.	This Memorandum of Understanding is e	ffective on: (m/d/	yyyyr).		
Signed:					
	Representative of Employer	Title	Date		
	Representative of Employer	Title	Date		