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Emergency Rules

DECLARATION OF EMERGENCY

State Board of Elementary and Secondary Education

The State Board of Elementary and Secondary Education at its meeting on June 25, 1981, exercised those powers conferred by the emergency provisions of the Administrative Procedures Act, R.S. 49:953B, and adopted the following as an emergency rule:

The Board approved Revised Act 754 Regulations (1981) with amendments and directed that these Regulations be advertised as an Emergency Rule to be effective July 1, 1981.

These Revised Act 754 Regulations (1981) are presently being advertised as Notice of Intent to adopt; however, if the normal rule-making procedure is followed, implementation of the Regulations will not be effective until August 20, 1981. This emergency adoption is requested in order for the school systems to know what to expect and how to conduct their special education programs for the coming school year.

James V. Soileau
Executive Director

DECLARATION OF EMERGENCY

Board of River Port Pilots Commissioners

This Board of River Port Pilot Commissioners for the Port of New Orleans has modified its rules as set forth hereinafter, which change in rules takes effect on June 15, 1981.

The rules modified read as follows:

SECTION 1. All applications for admission to the Crescent River Port Pilot apprenticeship program must be in writing, signed by the applicant and presented to the Secretary of this Board. All applications must be accompanied by satisfactory evidence of compliance by the applicant with the following requirements prior to the examination of the application by the Board:

a) Applicants for the apprenticeship program must be of good moral character. Evidence of a clear police record will be considered, but the Board reserves the right to examine other sources of information as to the applicant's character.

b) Applicants for the apprenticeship program must have been registered voters of the State of Louisiana continuously for at least one year prior to submission of the application.

c) The applicant must possess a high school diploma or a General Equivalency Degree prior to submission of an application to the apprenticeship program.

d) The applicant must not have reached his fortieth birthday prior to the inception of balloting of the Pilot Association on his application for admission to its apprenticeship program.

e) The applicant to the apprenticeship program must submit with his application proof that he holds an unlimited license as Master of River, Steam or Motor Vessels, or a license as a third mate of ocean, steam, or motor vessels of any gross tons upon any oceans issued by the United States Coast Guard, or a Bachelor's Degree or diploma granted by a college or university accredited by the American Association of Colleges and Secondary Schools.

Each applicant must hold a first class pilot license on the Mississippi River from Southport to the Head of the Passes, and for the Inner Harbor Navigation Canal (Industrial Canal) from the Mississippi River to Lake Pontchartrain. Each applicant must have held such first class pilot license for a period of at least six months, and have worked in a licensed position as master, mate or pilot aboard a vessel or vessels for a period of at least six months of documented time prior to commencement of his apprenticeship.

f) The applicant for the apprenticeship program must be examined by a physician, clinic or group of physicians of the Board's choosing in respect of the applicant's physical condition prior to being certified as a candidate for the apprenticeship program. The examination report must reflect that the applicant's physical condition is satisfactory to the Board commensurate with the work and responsibilities attendant to pilotage.

The Board shall have no expense or responsibility for the examinations or their results. The applicant submitting to such examinations will hold the Board harmless from any responsibility for any injury or loss incurred as a result of the examination or the reliance by the Board or any others on the results of such examination.

SECTION 2. a) Before receiving a commission, each apprentice must have served a minimum of nine months of apprenticeship in his proposed calling, handling deepwater vessels over the operating territory of the River Port Pilots under the tutelage of not less than 20 commissioned River Port Pilots. The apprentice must set forth in detail the names of the vessels handled, dates handled, draft, tonnage, between what points so moved, and the names of the supervising commissioned River Port Pilots. No petitioner shall be permitted to be examined for licensing who has not made at least 18 trips on the operating territory of the River Port Pilots between Pilottown and the City of New Orleans during each of the nine months of his apprenticeship and served at least one week of each month of the apprenticeship engaged in harbor shifting, docking work and pilotage on the Mississippi River Gulf Outlet. The apprenticeship work must be certified to by the Pilot Association conducting the apprenticeship program during the program. This Board reserves the right to review apprenticeship programs in progress and to make recommendations as to assignments which should be undertaken by the apprentice. This Board reserves the right to reject any apprenticeship program as to any apprentice or to require satisfactory completion of additional or extended apprenticeship.

b) Before completion of the apprenticeship, the apprentice must have endorsements on his United States Coast Guard Licenses as a first class pilot on the Intracoastal Waterway from the Inner Harbor Navigation Canal to and including Michoud, Louisiana, and the Mississippi River Gulf Outlet from its junction with the Intracoastal Waterway to Light 78. Also, prior to completion of the apprenticeship program, the apprentice holding a Bachelors Degree and First Class Pilots License must obtain a license as a Master of Rivers, Steam, or Motor Vessels issued by the U.S. Coast Guard.

SECTION 3. Those applicants who have satisfactorily complied with all of the provisions of Sections 1 and 2, shall be examined by the Board as to their knowledge of pilotage and their proficiency and capability to serve as commissioned River Port Pilots. This examination shall be given in such manner and shall take such form as the Board may, in its discretion, from time-to-time elect.

SECTION 4. Those applicants who satisfactorily complete the examination given by the Board shall be certified to the Governor for his consideration in appointments to commissions as River Port Pilots.

Pursuant to R.S. 49:953 B, this Board of Commissioners has determined that this rule making is emergency in nature, requiring an adoption of the rule changes without prior notice or hearing. The basis for this Board's determination of emergency is the congruence of Louisiana Public Service Commission Order T-14274 mandating the commissioning of 20 Crescent River Port Pilots, together with the determination of the Crescent River Port Pilots Association to open its apprenticeship program for the com-

missioning of new Crescent River Port Pilots in satisfaction of that said Public Service Commission Order. That apprenticeship program would commence prior to the effective date of these proposed rules, should this Board of Commissioners not act on this emergency. The Board of Commissioners has determined that it is to the manifest interest of the people of the State of Louisiana and the shipping industry that entry level qualifications for Crescent River Port Pilots be changed as reflected in these rules to assure that such apprentices will possess those higher standards of qualification and experience which this Board of Commissioners has determined to be necessary to the safe and efficient operation of the Port of New Orleans. Should these modified rules not have been adopted prior to the commencement of that apprenticeship program aforesaid, those proposed pilot apprentices could be accepted for commissioning with lower entry level qualifications or the apprentice program might itself be delayed in derogation of the order of the Public Service Commission.

Captain Gerald L. Jeane
President

Rules

RULE

Department of Commerce
Office of Financial Institutions

Under authority granted by R.S. 6:902 B, the Commissioner of Financial Institutions has adopted the following rule for the purpose of providing a means by which State Chartered Savings and Loan Associations may have authority consistent with that granted Federal Associations by Federal Home Loan Bank Board Rules and Regulation 545.6-4a, which was published on page 24148, Volume 46 of the Federal Register dated April 30, 1981.

Rule

Notwithstanding any limitations imposed by Chapter 9, Title 6, Louisiana Revised Statutes, State Chartered Savings and Loan Associations are hereby authorized to make, purchase and participate in adjustable mortagage loan instruments authorized Federal Associations by Federal Home Loan Bank Regulation 545.6-4a. For the information and guidance of State Chartered Associations, the Federal Home Loan Bank Board Regulation is outlined below:

I. Adjustable Mortgage Loan Instruments

(a) **Authorization.** (1) Associations making, purchasing, participating or otherwise dealing in loans pursuant to § 545.6-2(a) of this Part may use adjustable mortgage loan instruments as described in this Section. (2) This regulation is promulgated pursuant to the plenary and exclusive authority of the Board to regulate all aspects of the operations of Federal associations, as set forth in § 5(a) of the Home Owners' Loan Act of 1933, as amended. This exercise of the Board's authority is preemptive of any state law purporting to address the subject of a Federal association's ability or right to make, purchase, participate, or otherwise deal in adjustable mortgage loans, or to directly or indirectly restrict such ability or right.

(b) **Description.** (1) An adjustable mortgage loan is a loan that permits adjustment of the interest rate. Adjustments to the interest rate may be implemented through changes in the payment amount and/or through adjustments to the outstanding principal loan balance or the loan term, provided that the total loan term may not exceed 40 years, and shall reflect the movement of one of the indices authorized by paragraph (c) of this Section. (2) Adjustments to the principal loan balance are permissible only if the initial payment amount is sufficient to fully amortize the loan and if the payment amount is adjusted at least every five years to a level sufficient to amortize the loan at the then-existing interest rate and principal loan balance over the remaining term of the loan. (3) For purposes of determining compliance with the loan-to-value limitations set out in § 545.6-2(a) of this Part, the Board will assume continued compliance where the original loan-to-value ratio met the requirements of § 545.6-2(a). (4) Prepayment in full or in part of the outstanding principal loan balance may be made without penalty at any time.

(c) **Index.** (1) Adjustments to the interest rate of an adjustable mortgage loan shall correspond directly to the movement of an index authorized by subparagraph (2) of this paragraph, subject to such rate-adjustment limitations, if any, as an association may provide. The amount of a rate adjustment shall reflect the difference between the initial index value and either the index value most recently available as of the date of rate adjustment, if the payment is not simultaneously adjusted, or the index value most recently available as of the date of notification of a payment adjustment. Where the movement of the index permits an interest-rate increase, the association may decline to increase the interest rate by the indicated amount, and the association may decrease the interest rate at any time.

(2) For the purpose of adjusting the interest rate, an association may use any interest-rate index that is readily verifiable by the borrower and is beyond the control of the association. An association may use:

(i) The national average mortgage contract rate for major lenders on the purchase of previously-occupied homes, as computed monthly by the Board, published in the Board's *Journal,* and made available in news releases;

(ii) The average cost of funds to FSLIC-insured savings and loan associations, either for all Federal Home Loan Bank Districts or for a particular District or Districts, as computed semi-annually by the Board, published in the Board's *Journal,* and made available in news releases;

(iii) The monthly average of weekly auction rates on United States Treasury bills with a maturity of three months or six months, as published in the *Federal Reserve Bulletin* and made available by the Federal Reserve Board in Statistical Release G.13(415) during the first week of each month;

(iv) The monthly average yield on United States Treasury Securities adjusted to a constant maturity of one, two, three, or five years, as published in the *Federal Reserve Bulletin* and made available by the Federal Reserve Board in Statistical Release B.13(415) during the first week of each month; or

(v) Any other interest-rate index that meets the requirements of this subparagraph (c) (2).

(d) **Costs or fees.** The borrower may not be charged any costs or fees in connection with regularly-scheduled adjustments to the interest rate, the payment, the outstanding principal loan balance, or the loan term.

(e) **Notice to borrower of payment adjustment.** At least 30 but not more than 45 days before adjustment of the payment, the association shall send written notification to the borrower containing the following information:

(1) The fact that the payment on the loan with the association, secured by a mortgage or deed of trust on property located at the appropriate address, is scheduled to be adjusted on a particular date;

(2) The outstanding balance of the loan on the adjustment date, assuming timely payment of the remaining payments due by that date;

(3) The interest rate on the loan as of the adjustment date, the index value on which that rate is based, the period of time for which that interest rate will be in effect, the next following payment adjustment date, and the rate adjustment dates, if any, between the upcoming payment adjustment date and the next following payment adjustment date;

(4) The payment amount as of the payment adjustment date;

(5) The date(s), if any, on which the rate was adjusted since the last payment adjustment, the rates on each such rate adjustment date, and the index values corresponding to each such date;

(6) The dates, if any, on which the outstanding principal loan balance was adjusted since the last payment adjustment, and the net change in the outstanding principal loan balance since the last payment adjustment;

(7) The fact that the borrower may pay off the entire loan or a part of it without penalty at any time; and

(8) The title and telephone number of an association employee who can answer questions about the notice.

(f) **Disclosure.** An applicant must be given, at the time of receipt of an application, or upon request, a disclosure notice in the following form:

IMPORTANT INFORMATION ABOUT THE ADJUSTABLE MORTGAGE LOAN - PLEASE READ CAREFULLY

You have received an application form for an adjustable mortgage loan ("AML"). The AML may differ from other mortgages with which you are familiar.

GENERAL DESCRIPTION OF ADJUSTABLE MORTGAGE LOAN

The adjustable mortgage loan is a flexible loan instrument. Its interest rate may be adjusted by the lender from time to time. Such adjustments will result in increases or decreases in your payment amount, in the outstanding principal loan balance, in the loan term, or in all three (see discussion below relating to these types of adjustments). Federal regulations place no limit on the amount by which the interest rate may be adjusted either at any one time or over the life of the loan, or on the frequency with which it may be adjusted. Adjustments to the interest rate must reflect the movement of a single, specified index (see discussion below). This does not mean that the particular loan agreement you sign must, by law, permit unlimited interest rate changes. It merely means that, if you desire to have certain rate adjustment limitations placed in your loan agreement, that is a matter you should negotiate with the lender. You may also want to make inquiries concerning the loan terms offered by other lenders on AMLs to compare the terms and conditions.

Another flexible feature of the AML is that the regular payment amount may be increased or decreased by the lender from time to time to reflect changes in the interest rate. Again, Federal regulations place no limitations on the amount by which the lender may adjust payments at any one time, or on the frequency of payment adjustments. If you wish to have particular provisions in your loan agreement regarding adjustments to the payment amount, you should negotiate such terms with the lender.

A third flexible feature of the AML is that the outstanding principal loan balance (the total amount you owe) may be increased or decreased from time to time when, because of adjustments to the interest rate, the payment amount is either too small to cover interest due on the loan, or larger than is necessary to pay off the loan over the remaining term of the loan.

The final flexible feature of the AML is that the loan term may be lengthened or shortened from time to time, corresponding to an increase or decrease in the interest rate. When the term is extended in connection with a rate increase, the payment amount does not have to be increased to the same extent as if the term had not been lengthened. In no case may the total term of the loan exceed 40 years.

The combination of these four basic features allows an association to offer a variety of mortgage loans. For example, one type of loan could permit rate adjustments with corresponding changes in the payment amount. Alternatively, a loan could permit rate adjustments to occur more frequently than payment adjustments, limit the amount by which the payment could be adjusted, and/or provide for corresponding adjustments to the principal loan balance.

INDEX

Adjustments to the interest rate of an AML must correspond directly to the movement of an index, subject to such rate-adjustment limitations as may be contained in the loan contract. If the index has moved down, the lender must reduce the interest rate by at least the decrease in the index. If the index has moved up, the lender has the right to increase the interest rate by that amount. Although taking such an increase is optional by the lender, you should be aware that the lender has this right and may become contractually obligated to exercise it.

(Name and description of index to be used for applicant's loan, intial index value (if known) or date of initial index value, a source or sources where the index may be readily obtained by the borrower, and the high and low index rates during the previous calendar year.)

Key terms of _____ Federal Savings and Loan Association's adjustable mortgage loan

Following is a summary of the basic terms on the type of AML to be offered to you. This summary is intended for reference purposes only. Important information relating specifically to your loan will be contained in the loan agreement.

(Provide summary of basic terms of the loan, including the loan term, the frequency of rate changes, the frequency of payment changes, the maximum rate change, if any, at one time, the maximum rate change, if any, over the life of the loan, the maximum payment change, if any, at one time, minimum increments, if any, of rate changes, and whether there will be adjustments to the principal loan balance, in the following format:

Loan Term .....

Frequency of rate changes .....

Frequency of payment changes .....

HOW YOUR ADJUSTABLE MORTGAGE LOAN WOULD WORK

Initial interest rate

The initial interest rate offered by _____ Federal Savings and Loan Association on your AML will be established and disclosed to you on (commitment date , etc.) based on market conditions at the time.

(Insert a short description of each of the key terms of the type of AML to be offered to the borrower, using headings where appropriate.)

Notice of payment adjustments

_____ Federal Savings and Loan Association will send you notice of an adjustment to the payment amount at least 30 but not more than 45 days before it becomes effective. (Describe what information the notice will contain.)

Prepayment penalty

You may prepay an AML in whole or in part *without penalty at any time* during the term of the loan.

Fees

You will be charged fees by _____ Federal Savings and Loan Association and by other persons in connection with the origination of your AML. The association will give you an estimate of these fees after receiving your loan application. However, you will not be charged any costs or fees in connection with any regularly-scheduled adjustment to the interest rate, the payment, the outstanding principal loan balance, or the loan term initiated by the lender.

EXAMPLE OF OPERATION OF YOUR TYPE OF AML

(Set out an example of the operation of the type of AML to be offered to the borrower, including, where appropriate, the use of the table)

(g) Transition period. Until July 31, 1981, associations may continue to make, purchase, participate or otherwise deal in variable-rate mortgage loans pursuant to § 545.6-4(c) of this Part or in renegotiable rate mortgage loans pursuant to § 545.6-4(a) of this Part, as those Sections were constituted prior to April 30, 1981.

II. **Rescission**

(a) This rule rescinds rules published in Volume 6, Number 12, *Louisiana Register*, dated December 20, 1980 and Volume 7, Number 4, Louisiana Register, dated April 20, 1981, pertaining to Renegotiable Rate Mortgages (RRM's), effective July 31, 1981.
(b) Until July 31, 1981, State Chartered Savings and Loan Associations may continue to make, purchase, participate or otherwise deal in Renegotiable Rate Mortgages as outlined in the rules referred to in Section II (a) above.

Hunter O. Wagner, Jr.
Commissioner of Financial Institutions

RULE

Department of Health and Human Resources
Office of Family Security

The Department of Health and Human Resources, Office of Family Security, shall adopt a rule to implement the Low Income Energy Assistance Program to assist low income households with the high cost of energy.

Eligible households are those with liquid assets such as cash on hand, checking and savings accounts, stock, bonds and credit shares, valued at $1,500 or less for a single person household and $3,000 for a multi-person household. Additionally, total monthly income shall not be more than $276 for a single person household and $451 for a multi-person household. Eligible households shall be paying for a cooling utility or paying rent which includes an unspecified amount for utilities and shall not be a resident of Low Rent Public Housing or Section 8 Public Housing. Finally, persons under the age of 60 who apply for cooling assistance at the local OFS office shall provide a statement from a medical doctor verifying the applicant's need for cooling assistance.

Applications for assistance will be accepted from August 3, 1981 through August 31, 1981. Payments will be made in the month of September, 1981 to automatic eligibles and to eligible households who apply for cooling assistance at the local OFS office. It is estimated that payments in the month of September to eligible recipients will range from $55 to $70 depending upon income and household size.

George A. Fischer,
Secretary
Department of Health and Human Resources

RULE

Department of Insurance
Division of Property and Casualty

The Department of Insurance, Division of Property and Casualty, has adopted a rule pursuant to the provisions of Louisiana R.S. 22:2 and Act 520 of the 1978 Regular Session of the Louisiana Legislature.

The purposes of the rule are to accomplish a degree of uniformity in maintenance of solvency as respects a vehicle mechanical breakdown insurer and to establish guidelines relative to trade practices of such insurers.

RULE 6

Section 1 - Authority

This rule is adopted by the Commissioner of Insurance pursuant to the authority vested in him by Chaper 1, Title 22, Section 2, Louisiana Revised Statutes of 1950 as amended, and Act 520 of the 1978 Regular Session of the Louisiana Legislature.

Section 2 - Purpose

The purpose of this rule is to adopt provisions and uniform guidelines for their interpretation as authorized specifically by Act 520 of the 1978 Regular Session of the Louisiana Legislature. It is designed to facilitate and implement the provisions of that Act. It is intended to supplement and not alter in any manner certain provisions of the Act. A further purpose is to establish reasonable guidelines pertaining to reserves and the adequacy of those reserves, to maintain solvency as respects vehicle mechanical breakdown insurers doing business in this state.

Section 3 - Applicability

Those provisions shall be applicable to any and all entities which may be defined as a "vehicle mechanical breakdown insurer" under the provisions of Act 520 of the 1978 Regular Session of the Louisiana Legislature. The term shall include any person or other entity which receives any fee or compensation for administration of a mechanical breakdown program.

Section 4 - Definitions

When used in this rule, the following words or terms have the meaning described in this section.

(1) "Vehicle mechanical breakdown insurer" means any person or organization, whether domestic, foreign or alien that issues or attempts to issue vehicle mechanical breakdown policies as defined herein.

(2) "Vehicle mechanical breakdown insurance policy" means any contract, agreement, or other instrument whereby a person other than the owner, seller, or lessor of a vehicle assumes the risk of and/or the expense portion thereof for the mechanical breakdown or mechanical failure of a motor vehicle and shall include those agreements commonly known as vehicle service agreements or extended warranty agreements.

(3) "Insurer" means any property or casualty insurer duly authorized to transact vehicle physical damage insurance in this state under provisions of the Louisiana Insurance Code other than Sections 1800 through 1810.

(4) "Commissioner" means the Commissioner of Insurance for the State of Louisiana.

Section 5 - Qualifications

1. Evidence must be submitted to the Commissioner of Insurance that the applicant is a solvent corporation, incorporated under the laws of Louisiana, or another state, district, territory or possession of the United States of America. That evidence must be submitted as required by Form VMB-1 furnished by the Commissioner of Insurance and must be to his satisfaction.

2. The applicant shall furnish such proof as necessary to the commissioner that the directors and management of the company are competent and trustworthy and are capable of successfully managing its affairs in compliance with law. That information

shall be submitted on form VMB-2 which is furnished by the Commissioner.

3. The applicant shall make the deposit required by Louisiana R.S. 22:1804. Should the applicant furnish a surety bond it shall be in the style of Form VMB-4 which is furnished by the Commissioner. Such bond must be written by a company that is lawfully authorized to transact surety insurance in this state.

4. The applicant must complete and file form VMB-4 "Consent to Service and Appointment of Registered, Resident Agent" with the Commissioner. The Commissioner shall provide the applicable forms.

5. No applicant shall be licensed unless it maintains reserves as required by Section 6 of this Rule.

6. Upon meeting these requirements to the satisfaction of the Commissioner, a Certificate of Authority to do business in this state will be issued.

Section 6 - Reserves

A. Reserving

1. The reserve to be maintained on policies issued covering new vehicles shall be one which generates an unearned premium reserve of not less than the unearned premium reserve which is generated by applying the reverse sum of the digits earnings method to each policy issued covering a new vehicle.

2. The reserve to be maintained on policies issued on used vehicles shall be a reserve of not less than the unearned premium reserve which is generated when the "straight line" or pro-rated earnings method is applied to each policy issued on a used vehicle.

B. Premium Definition

1. In items 1 and 2 above, the unearned premium reserves generated shall be those which are generated when the earnings method is applied to the net premium (after commissions to agents) received by the vehicle mechanical breakdown insurer.

C. Reinsurance

1. Should any vehicle mechanical breakdown insurer reinsure all or a portion of its risks through another insurance company, the sum of the reserves maintained by said reinsurance company (for the risk in question) and the reserves maintained by the vehicle mechanical breakdown insurer shall equal not less than the reserve required in Section A. Further, such reinsurance shall be admissible toward achieving required reserves only when said reinsurance is with a company or companies that are approved to do business in this state either as a domestic, admitted, or surplus lines insurer.

2. The Commissioner shall have the right to examine any reinsurance documents or agreements that may be made between vehicle mechanical breakdown insurers and any such approved company and shall have the power to secure such financial information as he deems necessary from said approved reinsurer.

D. At such time as authority is required to conduct the business of vehicle mechanical breakdown insurer, the applicant shall fully disclose the reserving method used or to be used by the vehicle mechanical breakdown insurer and shall also disclose any reinsurance agreements which are in existence. Further, if at any time during the conduct of business the mechanical breakdown insurer changes its method of reserving or alters its reinsurance arrangements, if any, written notice shall be given to the Insurance Commissioner.

Section 7

A. Each vehicle mechanical breakdown insurer shall on or before the fifteenth day of March of each year submit to the Commissioner a report signed by the President and Secretary which shall certify the premiums received by said insurer for the proceeding year. That report shall be audited by a certified public accountant and shall be attested to by him. In conjunction with, and to be submitted at the same time, a complete audited financial statement on the mechanical breakdown insurer shall be made. Such audited financial statement shall fully disclose the reserving method used and any reinsurance arrangements in force. Additionally, the audited reports shall contain the following:

1. Auditor's report
2. Balance Sheet
3. Statement of Income and Retained Earnings
4. Statement of Shareholder's Equity
5. Statement of Changes in Financial Position
6. Notes to Financial Statements, which disclose all significant accounting practices.

B. The accounting method used shall not allow for the deferring of acquisition costs, but shall recognize those costs in the period in which they were incurred.

C. The audited statement required shall cover the operations of the mechanical breakdown insurer only. A statement of a holding company, or other parent company, which includes in it the operations of the mechanical breakdown insurer shall not be acceptable to the Commissioner.

Section 8 - Penalty for Non-compliance

A. Non-compliance with the provisions of this Rule may result in the suspension, revocation or non-renewal of the Certificate of Authority issued by the Commissioner of Insurance pursuant to the provisions of Act 520 of the 1978 Regular Session of the Louisiana Legislature.

Section 9 - Severability

If any of the provisions of this rule are held invalid, such invalidity shall not effect other provisions which can be given effect without the invalid item and to this end provisions of this rule are hereby declared severed.

Sherman A. Bernard
Commissioner of Insurance

RULE

Department of Natural Resources
Office of Environmental Affairs
Environmental Control Commission

The Louisiana Environmental Control Commission has adopted, with the approval of the House and Senate Natural Resources Committees, the fee schedule mandated by LRS 30:1065.B pertaining to permits, licenses, registrations and variances issued or required by the Nuclear Energy Division of the Office of Environmental Affairs.

Prior to adoption, public hearings before the Environmental Control Commission were held in June and July 1980, followed by additional hearings in January and February 1981. The House and Senate Natural Resources Committees approved the fee schedule in June, 1981.

During fiscal year 1981 - 1982, the Nuclear Energy Division will render an invoice for the entire fiscal year to all licenses and registrants for the appropriate amount, as determined by records of the Division and the newly adopted fee schedule.

Those individuals who desire copies of the fee schedule may contact the Nuclear Energy Division, Box 14690, Baton Rouge, Louisiana, 70898. Telephone (504) 925-4518.

B. Jim Porter,
Assistant Secretary

RULE

Department of Natural Resources
Office of Environmental Affairs
Environmental Control Commission

The following revisions to the Air Quality Regulations were approved June 25, 1981.

Regulations Revisions

Revise Section 22.22.1(A) of the Air Quality Regulations to read as follows:

A. Gasoline tank trucks and their vapor collection systems shall not sustain a pressure change of more than three inches of water (0.75 k Pa) in five minutes when pressurized to 18 inches of water (4.5 k Pa) or evacuated to six inches of water (1.5 k Pa) using the test procedure described in Title 40, Code of Federal Regulations, Part 60, Appendix A, Method 27.

Revise Section 22.22.2(A) of the Air Quality Regulations to read as follows:

A. Loading and unloading operations at gasoline terminals shall not produce a reading equal to or greater than 100 percent of the lower explosive limit (LEL, measured as propane) at 2.5 centimeters around the perimeter of a potential leak source as detected by a combustible gas dector using the test procedure described in Title 40, Code of Federal Regulations, Part 60, Appendix A, Method 25(A) and 25(B).

Revise the last sentence in Section 22.19.2(B) of the Air Quality Regulations to read as follows:

. . .The procedural checks described in 22.19.1(A)(B) and (D) must be performed.

Addition to the Fee System:

Automobile, Truck and Van assembly more than 100 vehicles per day.

SICC	3711	New Permit Application	22.5¢/Car Annual Capacity
		Major Modification to Line	13.5¢/Car Annual Capacity
		Minor Modification to Line	4.5¢/Car Annual Capacity
		Minor Equipment	$1,000
		ACD	4.5¢/Car Annual Capacity

Small Facility

SICC	3711	New Plant as above	$2,000 minimum
		Major Line Modification	1,600 minimum
		Minor Line Modification	400 minimum
		Minor Equipment Changes	100 minimum
		ACD	400 minimum

PROPOSED SIP REVISIONS
Add to Page 21A of Louisiana SIP
Revisions for ozone abatement

The plan submitted between March and November 1979 and conditionally approved by the Environmental Protection Agency in February 1980, projects attainment of the oxidant standard by December 31, 1982. This is being accomplished without the additional hydrocarbon reductions resulting from the installation of secondary seals on volatile organic compound storage tanks with external floating roofs. Consequently, since the plan shows attainment by December 31, 1982 and the plan is conditionally approved, the Air Quality Division intends to allow the emissions abated by the use of secondary seals to be banked by the emitter, if so desired. The emitter must enter into an enforceable agreement with the Commission, (which becomes part of the state implementation plan) before the reductions can be credited to his account. The Department specifically reserves the right to establish and govern the conditions under which a banked offset may be used. The banked offset is the property of the person making the deposit.

PROPOSED AIR QUALITY REGULATION REVISIONS

Add a new Section 23.4.4 reading as follows:

23.4.4 Opacity Limitation

1) The emission of smoke from the recovery furnace shall be controlled so that the shade or appearance of the emission is not darker than 30 percent average opacity as to obscure vision to a degree equivalent to the above (See Table 4) except that emitted may have an average opacity in excess of 30 percent for not more than one six-minute period in any 60 consecutive minutes.

2) The opacity of emissions from smelt dissolver vents and lime kilns shall be regulated by the provisions of Section 19.5.1 of these regulations.

3) The opacity of boiler fueled by bark, alone or in combination with other fuels, shall be regulated by the provisions of Section 18.2 of these regulations.

Add a new Section 23.4.1.1 reading as follows:

23.4.1.1 Compliance. Owners or operators of recovery furnaces shall conduct source test quarterly pursuant to the provisions in Table 4 to confirm particulate emissions are less than that specified in Section 23.4.1 (1). The results shall be submitted to the Division as specified in Sections 17.12 and 8.5.1.

B. Jim Porter
Assistant Secretary

RULE

Department of Natural Resources
Office of the Secretary
Division of State Lands

Rules and Regulations
to Implement
Act 645 of 1978

(As defined in L.R.S. 41:1131
and L.R.S. 41:1701 through 1714)
Revised 7-81

Permits Issued Under
Act 645 of 1978

Permits may be granted to owners of land contiguous to and abutting navigable waterbottoms belonging to the State to construct landfills either for the purpose of reclaiming or recovering land lost through erosion by action of the water body if said erosion occurred on and after July 1, 1921, or for the purpose of maintaining an encroachment on non-eroded State lands. Land reclaimed shall be subject to the procedures as set forth in "General Regulations - Boundary Agreements" of these Rules and Regulations. Landfills constructed on non-eroded State lands shall be subject to the procedures as set forth in "General Regulations - Leases" of these Rules and Regulations.

Permits may also be granted for the construction and/or maintenance of commercial and non-commercial structures which are permanently attached to public lands by pilings or other means. Such structures shall include, but not be limited to wharves, piers, storage docks, camps, warehouses, residences, bulkheads, restaurants, dams, bridges, etc. Exempted from permit requirement are commercial and non-commercial wharves and piers less than 50 linear feet whose surface area does not exceed 150 square feet, unless part of another encroachment unduly interferes with public interests, navigation or fishery. Structures constructed on State lands shall be subject to the procedures as set forth in "General Regulations - Leases" of these Rules and Regulations.

General Regulations
Issued Under Act 645 of 1978

1. Submitting Procedures

Applicant shall notify the Secretary of the Department of Natural Resources in writing of his intent to apply for a permit for work contemplated. Such letter shall contain a description of the proposed physical work to be performed, materials to be used and

identity of the body of water involved. Upon receipt of applicant's letter, the Secretary shall forward the appropriate permit form to the applicant with a copy of these regulations.

Upon completion of the appropriate form the applicant shall:

a. Send the form together with all required attachments, as set forth in Application Requirements, to the governing authority of the parish or parishes within which the work or structures will be located;

b. Apply to the U.S. Corps of Engineers for the appropriate federal permit, and in the event that the Corps of Engineers declines jurisdiction over the proposed work, and does not publish notice;

c. Cause to have published at least once, in the case of a reclamation permit, notice of the application in the official journal of the parish or parishes. All other permit applications shall not require public notice except upon request of the governing authorities of the parish.

2. Fees

Fees for permits are as follows:

a. An application for a permit shall be accompanied by a non-refundable administrative and processing fee of $50.00;

b. In the event that review of the application requires special work in the field such as special field examination or survey, the applicant shall be required to pay for such special work, the price of which shall be fixed by the Secretary based on his estimate of the cost of special work to the State. The Secretary shall notify the applicant of the estimated cost of such special work and shall not proceed until the estimated cost of same is paid.

3. Approval of Local and Other State Authorities

No permits shall be issued nor shall any work commence until the application has first been approved by the governing authority of the parish wherein the property is located, Office of Public Works, Department of Wildlife and Fisheries, State Mineral Board, Coastal Management Section (if the project is in the coastal zone) and such other parochial or State agencies which may have jurisdiction over such matters. Coordination and dissemination among the several agencies will be performed by the Secretary of the Department of Natural Resources.

4. Objections and Public Hearings

Objections shall be received by the Secretary of the Department of Natural Resources for a period of 30 days from date of published notice, to correspond with the delays established by the U.S. Corps of Engineers. In the event that opportunity for public hearing is deemed necessary by either the State, through the Secretary of the Department of Natural Resources, or the U.S. Corps of Engineers, all efforts will be made by the State to accommodate the applicant by holding one hearing together with the federal authorities at whatever time and place the latter stipulates.

At the end of the prescribed period for objections, or after the public hearing if necessary, the governing authority of the parish or parishes shall either approve or object to the application, with reasons, and forward their determination to the Secretary of the Department of Natural Resources, together with all required attachments and evidence of publication of notice by either the Corps of Engineers or the applicant, for processing as provided herein.

5. Reasons for Denial or Limitation

No reclamation, encroachment or lease shall be allowed if in the determination of the Office of Public Works, Department of Wildlife and Fisheries, State Mineral Board or the Secretary of the Department of Natural Resources, such activity would obstruct or hinder the navigability of any waters of the State, impose undue or unreasonable restraints on the State or public rights which have vested in such areas pursuant to Louisiana law, or result in unacceptable adverse impacts to the environment of the coastal zone, and to that extent the land area sought to be reclaimed, or the structure or construction, may be limited.

6. Hold Harmless

All permits and leases approved and issued hereunder shall be conditioned upon applicant's agreement to hold the State of Louisiana and her agencies and subdivisions harmless for applicant's acts or omissions in reclaiming and maintaining eroded lands and constructing or maintaining any structures and bulkheads, though the permit or lease for the same subsequently expires or is revoked.

7. Encumbrances

A permit will be issued subject to and encumbered with any right-of-way or servitude, or any mineral, geothermal, geopressure, or any other lease acquired or granted by the State for a lawful purpose while the reclaimed land was an eroded area. Nothing in these regulations shall prevent the leasing of State lands or waterbottoms for mineral or other purposes.

8. Maximum Permit Term

All permits issued pursuant to these provisions shall be effective for a period not to exceed two years from the date of issuance and shall thereupon expire. All work remaining or any additional work may be completed only by a new permit application.

9. Verification of Work

Upon completion of the project, the applicant is required to submit verificication of the work completed to the Secretary of the Department of Natural Resources within 60 days. For work completed subsequent to a reclamation or landfill permit, the applicant is required to submit a certified map or plat prepared by a professional land surveyor currently registered by the State Board of Registration for Professional Engineers and Land Surveyors as verification. For work completed subsequent to a structure permit, the applicant is required to submit an affidavit on the form provided as verification.

10. Vested Rights

No permit or lease shall be construed to vest any proprietary rights or title in any private owner except as to lands actually reclaimed and maintained, pursuant to Act 645 of 1978. Eroded lands contiguous to the coast of the Gulf of Mexico as defined in the Decree of the United States Supreme Court dated July 16, 1975, in United States vs. Louisiana, No. 9 Original, may be reclaimed under reclamation permits, out to the coastline.

11. Boundary Agreements

After fulfilling the requirements for verification of work completed pursuant to a reclamation permit, the applicant and the Secretary of the Department of Natural Resources shall enter into an agreement fixing the definitive boundary between the reclaimed land area and the waterbottoms. No definitive boundary shall be fixed nor shall title be vested unless and until proof is made that the reclaimed land is raised to a minimum height of six inches above mean high water and is stabilized along the newly created bank or shore by masonry, concrete mats, riprap, sheet piling, bulkheads, or similar constructions to reasonably insure permanence as required by law.

12. Leases

After fulfilling the requirements for verification of work completed pursuant to a landfill or structure permit, the applicant and the Secretary of the Department of Natural Resources shall enter into a lease agreement to operate or maintain the encroachment. Bulkheads constructed without fill, commercial and non-commercial wharves and piers less than 50 linear feet whose surface area does not exceed 150 square feet, which do not interfere with public navigation and fishery or are not part of another encroachment, are exempt from this leasing provision. Such leases will not be subject to competitive bidding except in

those cases where the best interest of the State and applicant will be served. The consideration for such leases shall be based upon the size and nature of the encroachment. Structures such as piers, wharves, etc., would be assessed $100 dollars for the first 500 square feet and 10 cents per square foot thereafter. Pilings situated on State waterbottoms and not supporting any additional structure (i.e., anchor piles, pile dolphins, etc.) would be assessed $100 plus $10 for each piling. When such pilings exist independent of and in addition to any other structures subject to lease based on square footage, lease price will be computed at the rate of $10 per piling. In no instance shall the consideration be less than $100 per annum. Leases entered into shall be for a term of five years and subject to renewal by lessee for nine successive terms. In no case shall the maximum term of such leases exceed 50 years. At the end of a 50-year maximum period, lessees may apply for a new lease for the subject encroachment.

13. Copies to Local Governments

A copy of the permit issued, along with the pertinent plats attached and the documentation required to be submitted 60 days after completion of work shall be filed with the clerk of court of the parish or parishes affected. A copy of the above shall also be furnished the assessor of the parish or parishes for assessment purposes.

Application Requirements
Issued Under Act 645 of 1978

Applications must be submitted in triplicate to the Secretary of the Department of Natural Resources, and each application must include the following:

1. Application form as provided by the Department of Natural Resources with approval of the parish governing authority clearly indicated thereon;
2. A certified deed of ownership* (of the lands contiguous to public lands);
3. If the applicant is not the owner, a certified copy of the deed or other instrument* under which the owner holds title plus written permission for the applicant to carry out the project. NOTE: Should the encroachment be located wholly upon State waterbottoms and not proximate to any bank or shore, no deed of ownership or written permission need be furnished provided that the letter of intent contain details of ingress and egress for such structure;
4. Map or plat showing:
   a. Location of the activity site including section, township and range;
   b. Louisiana Grid Coordinates of all corners and angle points (for reclamation and landfill permits only);
   c. Name of waterway;
   d. All applicable political (parish, town, city, etc.) boundary lines;
   e. Name of and distance of local town, community or other identifying location;
   f. Names of all roads in the vicinity of the site;
   g. Graphic scale; and
   h. North arrow.
5. Plan view showing:
   a. Existing shorelines;
   b. Ebb and flood in tidal waters and direction of flow in rivers;
   c. Mean high water line;
   d. Mean low water line;
   e. Water depth around the project;
   f. Extent of land area reclaimed or filled shown in square feet (for reclamation and landfill permits only);
   g. Extent of encroachment beyond the applicable water lines;
   h. Waterward dimensions from an existing permanent fixed structure or object; and
   i. Location of structures, if any, in navigable water immediately adjacent to the proposed activity.
6. Elevation and/or section view showing:
   a. Same water elevations as in the plan view;
   b. Depth at waterward face of proposed work;
   c. Dimensions from applicable water lines for proposed float or pile supported platform;
   d. Graphic or numerical scale;
   e. Detailed drawings of construction including plot plan, cross section and profile.
7. Non-refundable administrative and processing fee of $50.00.
8. Letter of intent.

*Only one certified copy of deed or instrument is required.

If the proposed project falls under the United States Army Corps of Engineers jurisdiction and permit(s) are being sought from that agency, the applications submitted to the Corps of Engineers may be submitted to the Department of Natural Resources in lieu of the above, providing that all copies are clear and legible and the Corps permit application does in fact contain all of the information described above.

Where a permit application contemplates any form of landfill or reclamation, the map or plat submitted must be prepared by a professional land surveyor currently registered by the State Board of Registration for Professional Engineers and Land Surveyors.

Michael S. Bourgeois
Director

RULE

Department of Public Safety
Office of State Fire Marshal

In accordance with the notice of intent published in the April 20, 1981 *Louisiana Register* and the hearing held on May 5, 1981, I hereby adopt the following administrative ruling:

L.A.C. 17-41 Plans and Specifications
for a New Building

4.1 As of August 1, 1981, the plans and specifications for every structure built or remodeled in the State of Louisiana must be drawn in accordance with the requirements of the 1976 edition of the Life Safety Code of the National Fire Protection Association and, for all high-rise buildings, Section 506 Special Provisions for High-Rise Buildings of the Standard Building Code 1979 edition of the Southern Standard Building Congress.

L.A.C. 17-2.2 All inspections of buildings constructed or remodeled after January 1, 1980, will be made utilizing the requirements set forth in the 1976 edition of the Life Safety Code of the National Fire Protection Association and Section 518, Special Provision for High-Rise, of Chapter 4 of the 1974 amendments to the 1973 Southern Standard Building Code; except that for buildings constructed with plans and specifications submitted for approval to the Office of State Fire Marshal on or after July 1, 1981, all such high-rise buildings should be inspected in accordance with Section 506 Special Provision for High-Rise of the 1979 Edition of the Standard Building Code of the Southern Standard Building Congress.

Carrol L. Herring
State Fire Marshal

RULE

Department of the Treasury
Board of Trustees
State Employees
Group Benefits Program
(Herein called the Program)

Group Coverage: Self insured and self-funded-medical
Group Contract Holder: Governmental agencies of the State of Louisiana (herein called the agencies and eligible political subdivisions)
Group Contract Issuer: The Board of Trustees, State Employees Group Benefits Program (herein called the board)
Contract Signed: Contract to Take Effect:

This contract is between the contract holder and the Board of Trustees and shall be construed in accordance with the law of the State of Louisiana.

The board shall be entitled to rely upon the signatures of the designated representatives of each of the agencies as acting for the agency as to any and all matters pertaining to this contract.

In consideration of the payment of contributions by the contract holder in the amounts and at the times hereinafter provided, the Program herein agrees with the contract holder, subject to the terms appearing on this and the following pages of this contract including, if any, the riders, endorsements and amendments to this contract which are signed by the board to pay benefits in accordance with the terms of this contract. The obligations and the rights of all persons under this contract shall be determined in accordance with the terms of this contract without regard to the terms of any prior agreement or of any instrument amending or supplementing or replacing any such agreement.

In witness whereof the board has signed this contract at Baton Rouge, Louisiana.

SCHEDULE OF BENEFITS

BASIC BENEFITS
Hospital Benefits:
Hospital daily room and board rate, to 120 days,
Average semi-private, to ..... $ 60.00
Hospital miscellaneous 900.00
Surgical Benefits (per schedule), to 750.00
Second Opinion:
Per disability 50.00
Per year 100.00
In-Hospital Medical Benefits:
Daily rate, to 8.00
Maximum, to 120 days 960.00
Supplemental Emergency Accident Benefits 500.00
Diagnostic X-ray and Laboratory Benefits:
Each accident, to 100.00
All sicknesses, per calendar year 100.00
MAJOR MEDICAL BENEFITS
Deductible Amount, each calendar year:
Per person 100.00
Maximum per family 300.00
Percentages Payable, each calendar year:
First $5,000 of eligible expenses 80%
Eligible expenses in excess of $5,000 ..... 100%
Charges for alcoholism or out-patient psychiatric care 50%*
Lifetime Maximum:
Active Employees under age 70 and eligible dependents under age 65 ..... 100,000.00
Automatic restoration 4,000.00
Active Employees over age 70 dependents over age 65 ..... 50,000.00
Automatic restoration 2,000.00
Retired Employees and eligible dependents under age 65 ..... 100,000.00
Automatic restoration 4,000.00
Retired Employees and eligible dependents over age 65 ..... 50,000.00
Automatic restoration 2,000.00
Hospital Room and Board:
Average semi-private to 80.00

*Percentage payable for treatment of alcoholism or nervous or mental disability while not hospital confined is limited to 50 percent. Outpatient psychiatric treatment is further limited to 50 visits per calendar year, one visit per day, with a maximum reimbursement of $20.00 per visit.

CATASTOPHIC ILLNESS ENDORSEMENT
All eligible expenses are payable at 100 percent.
Maximums for any one disease per lifetime:
$10,000 Maximum
(a) 70 percent, or $7,000 for in-patient hospital expenses
(b) Thirty percent, or $3,000 for out-patient and professional expenses
$5,000 Maximum
(a) Seventy percent, or $3,500 for in-patient hospital expenses
(b) Thirty percent, or $1,500 for out-patient and professional expenses

ARTICLE 1
GENERAL PROVISIONS

I. DEFINITIONS

A. The term *Program* as used herein shall mean the State Employees Group Benefits Program as administered by the Board of Trustees for the benefit of employees and their eligible dependents.

B. The term *Plan* as used herein shall mean employee and/or dependent Basic and Major Medical Coverage and employee and/or dependent Catastrophic Medical Coverage.

C. The term *participating employer* as used herein shall mean a State agency. Participating employer shall also mean a political subdivision which has executed an adoption instrument, if required, or has otherwise agreed to participate in the Program on behalf of its employees.

D. The term *adoption instrument* as used herein shall mean the agreement between a political subdivision and the State Employees Group Benefits Program for entrance into the Program.

E. The term *employee* as used herein shall mean a full-time employee of a participating employer, who works 30 hours or more a week; provided, however, that an employee whose full-time occupation normally requires less than 30 hours per week shall also be considered a full-time employee.

F. The term *Covered Person* as used herein shall mean an Active or Retired Employee, or his eligible dependent, for whom the necessary application forms have been completed and for whom the required contribution is being made.

G. The term *dependent* as used herein shall mean any of the following persons who are enrolled for coverage as dependents, provided they are not also covered as an employee:

1. The Covered Employee's legal spouse;

2. Any unmarried children from date of birth to 19 years of age, dependent upon the employee for support;

3. Any unmarried children over 19 years of age, but under 24 years of age, who are enrolled as full-time students and who depend upon the employee for support;

4. Any dependent parent of an employee or of an employee's legal spouse, if living in the same household and if fully

dependent upon the employee or upon the employee's legal spouse and who are, or will be, claimed as a dependent on the employee's federal income tax in the current or next tax year, and has resided with the Covered Employee for the period of 12 consecutive months immediately prior to date of such enrollment. The Program will require an affidavit stating the Covered Employee intends to include the parent as a dependent on his federal income tax return for the current or next tax year.

H. The term *children* as used herein shall mean:

1. Any natural or legally adopted children of the employee and/or legal spouse dependent upon the employee for support;

2. Such other children for whom the employee has legal custody, and who live in the household of the employee; and,

3. Grandchildren dependent on the employee for support, living in the household of the employee, and who are or will be included on the employee's federal income tax return as a dependent. The Program will require a copy of the tax form or an affidavit stating that the Covered Employees intends to include the child as a dependent on his federal income tax return for the current or next tax year.

I. The term *date acquired* as used herein shall mean the date a dependent of a Covered Employee is acquired in the following instances and on the following dates only:

1. Legal Spouse - date of marriage;

2. Children

a. Natural or legally adopted children - the date of birth or the date of judgment granting adoption;

b. Other children living in the household of the Covered Employee who are, or will be included as a dependent on the employee's federal income tax return - the date of the court order granting legal custody.

c. Grandchildren dependent upon the employee for support, living in the household of the employee, and who are or will be included as a dependent on the federal income tax return;

(1) The date of the court order granting legal custody, or

(2) The first date on which the grandchildren come to live with and become dependent on the Covered Employee for support.

3. Parents - one year from the date the parent(s) began residing with and became dependent upon the employee.

J. The term *employee coverage* as used herein shall mean medical benefits provided hereunder with respect to the employee only.

K. The term *dependent coverage* as used herein shall mean medical benefits provided hereunder with respect to the employee's dependents only.

L. The term *occupational disease* as used herein means a disease which arises from, is contributed to, caused by, or a consequence of any disease which arises out of or in the course of any employment or occupation for compensation or profit.

However, if the Program is presented with satisfactory evidence proving that the individual concerned is covered as an employee under any workmen's compensation law, occupational disease law, or other legislation of similar purpose, but the disease involved is not covered under the applicable laws or doctrine, then such disease shall, for the purpose of this policy, be regarded as a non-occupational disease.

M. The term *occupational injury* as used herein means an accidental bodily injury which arises from, is contributed to, caused by, or a consequence of any injury which arises out of or in the course of any employment or occupation for compensation or profit.

However, if the Program is presented with satisfactory evidence proving that the individual concerned is covered as an employee under any workmen's compensation law, occupational disease law, or other legislation of similar purpose, but the injury involved is not covered under the applicable laws or doctrine, then such injury shall, for the purposes of this policy, be regarded as a non-occupational injury.

N. The term *accidental bodily injury* as used herein shall mean a localized abnormal condition of the body, internal or external, which was induced by trauma and occurred through an event that was unforeseen and unexpected.

O. The term *disability* as used herein shall mean that the Covered Person, if an employee is prevented, solely because of a non-occupational injury or disease, from engaging in his regular or customary occupation and is performing no work of any kind for compensation or profit; or, if a dependent is prevented, solely because of a non-occupational injury or disease, from engaging in substantially all the normal activities of a person of like age in good health.

P. The term *hospital* as used herein shall mean an institution which meets all the following requirements:

1. Holds a license as a hospital (if licensing is required in the State), and is accredited by the Joint Commission for the Accreditation of Hospitals. If located outside the territorial United States, the hospital must be licensed by the country in which it is located.

2. Operates primarily for the reception, care, and treatment of sick, ailing, or injured persons as in-patients;

3. Provides 24-hour nursing service by licensed nurses;

4. Has a staff of one or more licensed physicians available at all times;

5. Provides organized facilities for diagnosis;

6. Requires compensation from its patients for the services rendered; and

7. Is not, primarily an institution for rest, the aged, drug addicts, alcoholics, the treatment of pulmonary tuberculosis, or a nursing home.

Q. The term *room and board* as used herein shall mean not only the hospital charges for room and board, but also other expenses which are charged regularly at a daily or weekly rate by the hospital as a condition of occupancy.

R. The term *physician* as used herein shall mean the following:

1. A duly licensed medical doctor (M.D.);

2. Doctor of dental surgery (D.D.S., D.M.D.);

3. Doctor of osteopath (D.O.);

4. Licensed podiatrist;

5. Licensed psychologist meeting the requirements of the National Register of Health Service Providers in Psychology;

6. Licensed chiropractor, legally entitled to practice in the state in which the service is performed; or

7. Board certified, licensed social worker who is a member of an approved clinical social work registry or is employed by the United States, the State of Louisiana, or a Louisiana Parish or municipality, provided such person is performing professional services as a part of the duties for which he is employed.

Such persons must engage in private practice, and render a charge to the Covered Person for his professional services.

The term "physician" does not include any intern, resident, or fellow enrolled in a residency training program regardless of any other title by which he is designated or his position on the medical staff of the hospital. A senior resident, for example, who is referred to as an assistant attending surgeon or an associate physician, is considered a resident since the senior year of the residency is essential to completion of the training program. Provided, however, that effective October 1, 1977, charges made by a physician, as defined herein, who is on the faculty of a State medical school, or on the staff of a State hospital, will be considered a covered expense if such charges are made in connection with the treatment of an injury or sickness covered under this Plan and further pro-