



# South Carolina Department of Insurance

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## BULLETIN NUMBER 2012-03

TO: Insurers Writing Credit Accident and Health Insurance in South Carolina in Conjunction with Loans subject to 1966 S.C. Act No. 988, Consumer Finance Law

FROM: Gwendolyn F. McGriff  
Acting Director *Gwendolyn F. McGriff*

SUBJECT: Notice of Tentative Accident and Health Insurance Rates for such Insurance and Opportunity to Request a Hearing

DATE: July 31, 2012

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### I. NOTICE OF TENTATIVE CREDIT ACCIDENT AND HEALTH INSURANCE RATES

Regulation 69-11.1, Regulation of Credit Insurance, requires the South Carolina Department of Insurance to promulgate tentative rates for credit accident and health insurance by August 1 of each year. The tentative rates are those the Department believes may reasonably be expected to produce a loss ratio of not less than fifty percent (50%) in the following calendar year. This bulletin constitutes official notice of the tentative rates for 2013.

The Department has reviewed the last several years' experience for credit accident and health insurance written in conjunction with loans subject to the Consumer Finance Law. The aggregate loss ratio for credit accident and health insurance at the prima facie rates are: forty seven percent (47.0%) in 2011, fifty and one tenth percent (50.1%) in 2010, and fifty-one and five tenths percent (51.5%) in 2009. With the current year experience producing an aggregate loss ratio of approximately forty seven percent (47%) and a weak but growing national economy, the tentative rate proposed for 2013 for 3-day Retro Accident and Health Insurance remains unchanged from the 2012 rate of \$0.31 per year per \$5.00 unit of monthly indemnity.

### II. OPPORTUNITY FOR A HEARING

Regulation 69-11.1.C.(4) provides that "every insurer which feels aggrieved by any of the rates so promulgated shall have fifteen days to request a public hearing with respect to such rate or rates." Accordingly, all requests for a hearing must be submitted to the Department in writing on or before August 15, 2012. Please direct any requests for a hearing to the attention of:

Steve DuBois  
South Carolina Department of Insurance  
Post Office Box 100105  
Columbia, South Carolina 29202-3105

All requests must include documentation supporting your position that the tentative rates for credit accident and health insurance need to be changed. After all such hearings have been held, the final rates or an affirmation of the tentative rates shall be sent to all companies before October 1, 2012.

### **III. QUESTIONS**

Any questions or concerns about this Bulletin should be submitted in writing to the attention of:

Andrew Dvorine, ASA, MAAA  
Life Actuary  
South Carolina Department of Insurance  
145 King Street, Suite 228  
Charleston, South Carolina 29401  
Facsimile: (843) 722-6105  
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