



South Carolina Department of Insurance

MARK SANFORD
Governor

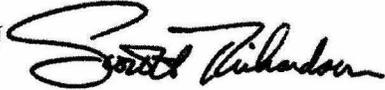
Capitol Center
1201 Main Street, Suite 1000
Columbia, South Carolina 29201

SCOTT RICHARDSON
Director of Insurance

Mailing Address:
P. O. Box 100105, Columbia, SC 29202-3105
Telephone: (803) 737-6150

BULLETIN NUMBER 2009-11

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: Scott H. Richardson, CPCU 
Director

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

DATE: July 31, 2009

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 2010.

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: fifty and four tenths percent (50.4%) in 2008, forty-six and eight tenths percent (46.8%) in 2007, and forty-seven and six tenths percent (47.6%) in 2006. With the current year experience producing an aggregate loss ratio in excess of fifty percent (50%) and continued weakness in the national economy, the tentative rate proposed for 2010 for 3-day Retro Accident and Health Insurance remains unchanged from the 2009 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 17, 2009. Please direct any requests for a hearing to the attention of:

Jeffrey Jacobs, Chief Legal Counsel
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 rate for credit accident and health insurance needs to be changed. After all such hearings have been held, the final rate or an affirmation of the tentative rate shall be sent to all companies before October 1, 2009.

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
E-mail: advorine@doi.sc.gov

Bulletins are the method by which the Director of Insurance formally communicates with persons and entities regulated by the Department. Bulletins are departmental interpretations of South Carolina insurance laws and regulations and provide guidance on the Department's enforcement approach. Bulletins do not provide legal advice. Readers should consult applicable statutes and regulations or contact an attorney for legal advice or for additional information on the impact of that legislation on their specific situation.