



South Carolina Department of Insurance

MARK SANFORD
Governor

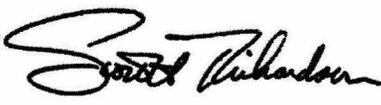
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BULLETIN NUMBER 2009-13

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

FROM: Scott H. Richardson, CPCU
Director 

SUBJECT: Notice of Tentative Credit Property Insurance Rates and Opportunity to Request a Hearing

DATE: July 31, 2009

I. NOTICE OF TENTATIVE CREDIT PROPERTY INSURANCE RATES

Regulation 69-11.1, Regulation of Credit Insurance, requires the South Carolina Department of Insurance to promulgate tentative rates for credit property 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 past loss experience for credit property insurance written in conjunction with consumer credit transactions subject to the Consumer Finance Law. The aggregate 2008 loss ratio at prima facie rates is twenty-seven and nine tenths percent (27.9%). Effective January 1, 2008, a rate decrease of fifty-seven and eight tenths percent (57.8%) was implemented. The effect of this rate decrease is being observed and evaluated. Until credible data is available and analyzed, no further changes in the rates are proposed for 2010.

The tentative rates expressed as a percentage of the total amount of the loan are as follows:

| <u>Coverage</u> | <u>Approved Rates</u> |
|--|-----------------------|
| Automobile, Fire and Theft – Single Interest | .0135 percent |
| Automobile Collision – Single Interest | .0506 percent |
| Household Goods – Single Interest | .0131 percent |
| Household Goods – Dual Interest | .0688 percent |

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 rates for credit property 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, 2009.

III. QUESTIONS

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

Vibha Jayasinghe, Associate Actuary
South Carolina Department of Insurance
145 King Street, Suite 228
Charleston, South Carolina 29401
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