

South Carolina Department of Insurance

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

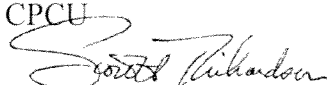
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BULLETIN NUMBER 2010-06

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 30, 2010

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 2011.

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-one and five tenths percent (51.5%) in 2009, fifty and four tenths percent (50.4%) in 2008, and forty-six and eight tenths percent (46.8%) in 2007. With the current year experience producing an aggregate loss ratio in excess of fifty percent (50%) and a weak but growing national economy, the tentative rate proposed for 2011 for 3-day Retro Accident and Health Insurance remains unchanged from the 2010 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 16, 2010. 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 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, 2010.

III. QUESTIONS

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

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Life Actuary
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