



South Carolina Department of Insurance

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

NIKKI R. HALEY
Governor

RAYMOND G. FARMER
Director

Mailing Address:
P.O. Box 100105, Columbia, S.C. 29202-3105
Telephone: (803) 737-6160

BULLETIN NUMBER 2014-10

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: Raymond G. Farmer
Director of Insurance

A handwritten signature in black ink that reads "Raymond G. Farmer".

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

DATE: July 31, 2014

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 (Department) to promulgate tentative rates for credit accident and health insurance by August 1st 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 2015.

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-one and six tenths percent (41.6%) in 2013, forty-six and six tenths percent (46.6%) in 2012, and forty-seven percent (47.0%) in 2011. With the current year experience producing an aggregate loss ratio of approximately forty two percent (42%) and three years of loss ratios below 50%, the Department is reducing by 10% the tentative rate proposed for 2015. The proposed tentative rates for 3-day Retro Accident and Health Insurance in 2015 are \$0.28 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 18, 2014. 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, 2014.

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