

# South Carolina Department of Insurance

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

MARK SANFORD  
Governor


SCOTT H. RICHARDSON, CPCU  
Director of Insurance

---

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

## BULLETIN NUMBER 2007-07

TO: Insurers Writing Credit Accident and Health Insurance in South Carolina in Conjunction Consumer Credit Transactions subject to the South Carolina Consumer Protection Code (S.C. Code Ann. § 37-1-101 et seq.), Other Than Loans Made Under Act 988 of 1966

FROM: Scott H. Richardson   
Director

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

DATE: August 1, 2007

---

### I. Notice of Tentative Credit Accident and Health Insurance Rates

Regulation 69-11 requires the Department 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 50% in the following calendar year. This bulletin constitutes official notice of the tentative rates for 2008.

The South Carolina Department of Insurance has reviewed the experience for the past several years for the above described credit accident and health insurance. The aggregate loss ratio for credit accident and health insurance has decreased steadily since 2003. Specifically, the loss ratio was 69.4% in 2003, 57.3% in 2004, 51.0% in 2005, and 47.6% in 2006. In light of the fact that the current aggregate loss ratio is not significantly less than the benchmark loss ratio of 50%, the tentative rates proposed for 2008 for both 14-Day Retro and 30-Day Retro coverage are unchanged from the 2007 rates.

Therefore, the tentative single premium rates per \$100 of initial indebtedness proposed for 2008 for both types of insurance are listed below for your convenience:

<i>Period</i>	<i>14-Day Retro</i>	<i>30-Day Retro</i>
---------------	---------------------	---------------------

12 Months	\$1.70	\$1.60
24 Months	2.30	2.20
36 Months	2.90	2.80
48 Months	3.40	3.30
60 Months	3.90	3.80
72 Months	4.30	4.20
84 Months	4.70	4.60
96 Months	5.00	4.90
108 Months	5.30	5.20
120 Months	5.60	5.50
132 Months	5.90	5.80
144 Months	6.10	6.00
156 Months	6.30	6.20
168 Months	6.50	6.40
180 Months	6.70	6.60

For periods that do not equal an integral number of years, the rates may be interpolated to the upper quarter of a year but finer interpolations will be permitted to the equivalent of the nearest month. Thus, for example, the rates for a period from 0 to 3 months for the 14-day plan would be one-fourth of \$1.70 or \$0.43.

## II. Opportunity for a Hearing

S.C. Code Ann. Reg. 69-11.1 (1989) provides that “every insurer which feels aggrieved by any of the rates so promulgated may request a public hearing with respect to such rate or rates” within 15 days. See S.C. Code Ann. Reg. 69-11.1 C (5) (1989). Accordingly, all requests for a hearing must be filed with the Department on or before August 17, 2007. Please direct your requests for a hearing to the attention of Jeffrey Jacobs, Chief Legal Counsel. Attach to your request for a hearing 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 rate or an affirmation of the tentative rate shall be sent to all companies before October 1, 2007. Please direct any questions regarding this bulletin to the attention of Derek McKee at the address and number listed below.

Derek McKee  
Assistant Actuary  
South Carolina Department of Insurance  
145 King St., Suite 207  
Charleston, SC 29401  
Telephone: 843-579-0527  
Facsimile: 843-722-6105  
E-mail: [dmckee@sc.doi.gov](mailto:dmckee@sc.doi.gov)

NOTE: Bulletins are the method by which the Director of the Department of Insurance formally communicates with entities regulated by the Department of Insurance. Bulletins are not law but are positions that the Department of Insurance has taken. They may provide direction, instructions, interpretations, or general information. Bulletins are not intended to set forth legal rights, duties or privileges nor are they intended to provide legal advice. Readers should consult applicable statutes and regulations and contact an attorney of their choice if additional information is needed.