



South Carolina Department of Insurance
1201 Main Street, Suite 1000
Columbia, SC 29201

Mailing Address
P.O. Box 100105
Columbia, SC 29202

January 13, 2022

Karen Z. Schutter
Executive Director
Interstate Product Regulation Commission
444 North Capitol Street, NW
Hall of the States, Suite 700
Washington, DC 20001-1509
kschutter@insurancecompact.org

Re: Notice of South Carolina's introduction of legislation to withdraw from the Interstate Insurance Product Regulation Compact

Dear Ms. Schutter:

We are writing to you to (1) notify you that yesterday, *January 12, 2022*, the South Carolina Department of Insurance ("SCDOI") filed legislation with the South Carolina General Assembly to withdraw South Carolina from the Interstate Insurance Product Regulation Compact ("Compact") and (2) to formally opt out of Standards for Filing Revisions to Rate Filing Schedules for Individual Long-Term Care Insurance and seek a stay while this legislation is pending.

The South Carolina Code of Laws, Section 38-72-75 gives the Director or his designee sole authority to review and approve a change to the premium charged to an insured under a policy or contract of long-term care insurance. For purposes of rate increase requests on long-term care insurance products approved by the Commission, SCDOI has expressed its concern that the Commission cannot be the Director's designee because of the Director's responsibility to the citizens of South Carolina. Thus, it is SCDOI's conclusion that its participation in the Compact does not provide sufficient protections to the citizens of South Carolina regarding long-term care insurance. SCDOI believes that consumers are more protected when all changes to long-term care policy premiums are reviewed by SCDOI pursuant to its review methodology.

Under S.C. Code of Laws, Section 38-95-140, the Compact is in force in South Carolina until South Carolina withdraws from the Compact by enacting a statute specifically repealing the statute that enacted the Compact into law. This letter is written notice to the management committee of the Compact, as required under Section 38-95-140(3), of the introduction of legislation repealing this Compact in South Carolina. South Carolina law also provides that our state may be reinstated into the Compact in the future through reenactment of legislation.

We greatly appreciate all you have done to help us with this issue and in working to develop possible alternatives to address it. However, at this time, we have determined that the best course of action for South Carolina is to withdraw from the Compact. By taking this action, we do not rule out the possibility of rejoining the Compact in the future.

While the legislation is pending, South Carolina is petitioning the Commission to grant a stay of the Standards for Filing Revisions to Rate Filing Schedules for Individual Long-Term Care Insurance as we proceed with the legislation.

Thanks again for all of your help and assistance in this important matter.

Respectfully,

A handwritten signature in blue ink, appearing to read "Raymond G. Farmer".

Raymond G. Farmer

Director

South Carolina Department of Insurance