SC Department of Insurance
Property & Casualty
Procedural Guidelines

04/15/11

http://doi.sc.gov

Introduction

- Our goal is to provide P&C carriers with an outline of the information we need to review a filing.
  - Providing all requested information will limit the need for objection letters, which will expedite the filing review process.

- In addition to identifying important procedural guidelines, we have provided links to our website to find information regarding SC insurance statutes & regulation, Department positions & bulletins, and Department filing requirements.
  - Review our Procedural Guidelines and website periodically to check for updates.

Recent Filing Requirement Changes

- Paper filings will not be accepted after 07/01/11.
  - For assistance with SERFF filings, visit the SERFF website: www.serff.com/training.htm
- Form SCID 2004 will not be required after 07/01/11.
- For a tutorial on newly required SERFF data fields, click SERFF P&C Filing Set Up Tutorial
- For a tutorial on newly updated actuarial exhibits, click Actuarial Exhibit Tutorial

Review Standards/Statutory Deemer Provisions

- **Prior Approval**: The filing must be approved before it can be implemented. An approval or an objection letter will be sent from the Department within 60 days of the filing date (30 days for Workers' Compensation).

- **File and Use**: Qualifying filings must be filed for 30 days before they can be implemented.
  - If the Director finds that a filing is not in compliance with Chapter 73 of S.C. Code of Laws, then he shall issue a written order specifying in detail the provisions with which the insurer has not complied and state a reasonable period in which the filing is considered no longer effective.
    - **We hope that the Department can work with the carrier to close the filing prior to implementation to eliminate the need to issue an order.**
  - File and Use Qualification Criteria:
    - The filing must be a rate or rate/rule filing type.
    - The overall total change must be between -7.0% and +7.0%.
      - If policy level impacts exceed -25.0% or +25.0%, then the filing will be reviewed with greater scrutiny.
    - The File and Use provision cannot have been used in the 12 months prior to the proposed renewal effective date.

Review Standards/Statutory Deemer Provisions

- **Use and File:** Form filings subject to Use and File that are utilized by a carrier should be submitted to the Department. The filing will be closed or an objection letter will be sent from the Department within 60 days of the filing date. If the filing is implemented and a change is required before the filing is closed, the required change will apply on a prospective basis.

- **Exempt:** No insurer of exempt Rates and/or Rules will be required to file. However, carriers must maintain a desk file, which must be made available to the Department upon request.

Filing Objection Letters

- If a filing objection letter is sent, then the deemer provision will reset once a response is received from the company.
  - This does not apply to File and Use submissions as the deemer provision is set at 30 days. However, the review process will continue until all objections have been satisfied. Responses to objections should be made as soon as practical to eliminate the need to issue a written order from the Director.
  - Please note that it is our goal to review the response within two weeks of receipt.

Rate Capping

- A one-term cap may be approved to limit policyholder disruption.
  - The manual rate must be achieved when the cap is removed at the next policy renewal.

- A transition plan is another form of rate capping, which may be approved as a transition from one rating plan to another rating plan over a period of time (no more than 3 years).
  - Multiple Rating Plans
    - Rates or Rules that create different rates for risks with the same rating characteristics are not acceptable as they are considered unfairly discriminatory. The Department may approve a transition plan to temporarily limit renewal disruption caused by a rating or rule plan change.

Rule and/or Form Filings

- For rule and/or form changes, a marked up copy tracking the proposed changes is requested. Otherwise, submit current and proposed versions of the rules and/or forms being revised.

- Only the rules or forms that are being introduced or modified need to be filed. Re-filing all previously approved rules and/or forms is not required.

Department Website

- For more information regarding SC insurance statutes & regulations, Department bulletins & positions, and Department filing requirements:
  - Visit http://doi.sc.gov
    - Click the Rates, Rules and Forms Filings
    - Click Property and Casualty
    - Click Filing Instructions
  - Filing Instructions

Contact Information

- For additional information, contact the Department's Market Services Division at:
  - P&Cmail@doi.sc.gov
  - (803) 737-6230