



South Carolina Department of Insurance

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BULLETIN NUMBER 2022-09

TO: All Insurers Licensed to Transact Long-Term Care Insurance Business in South Carolina

FROM: Michael Wise 
Acting Director

SUBJECT: Policyholder Notification of Proposed Premium Rate Increase

DATE: September 6, 2022

On May 16, 2022, Governor Henry McMaster signed into law House Bill H. 4832 which amends Section 2, Chapter 72, Title 38 of the 1976 South Carolina Code of Laws. This amendment adds Section 38-72-78 which requires insurers writing long-term care insurance that have filed for a rate increase to notify policyholders no later than 30 days after the date of the filing. Each rate filing submitted after the date of this Bulletin must include the certification set forth in Exhibit A and the proposed policyholder notification letter. Policyholder notifications (*see* Exhibit B for Sample Notice) are not subject to prior approval. The notice must include:

- The proposed rate increase for the individual or group policyholder;
- A summary of why the rate increase is being requested;
- A clear and conspicuous statement that the rate request is subject to regulatory approval;
- A statement that the policyholder may provide written or oral comments or objections on the proposed rate increase to the Department; and
- The Department's contact information for questions concerning the rate increase request.

See S.C. Code Ann. Section 38-72-78 (2022). The insurer shall provide the written notice by first class mail to the last known mailing address of all affected policyholders.

Within 30 days of the filing, the insurer shall attach to the pending rate filing in the System for Electronic Rate and Form Filings (SERFF) a signed certification that notices have been sent in accordance with this Bulletin.

Rate increases shall not be implemented until approved by the Department of Insurance pursuant to Section 38-72-75 and, once approved, may be implemented on the date of approval or the proposed effective date included in the filing.

Any questions regarding this Bulletin should be submitted via email to LAHmail@doi.sc.gov and include the insurer's name and primary point of contact (with phone number and email address) for follow up.

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.

Exhibit A

CERTIFICATION

of

**Policyholder Notification of Proposed LTC Premium
Rate Increase Request**

I certify that on _____ the policyholder notification required by S.C. Code Section 38-72-78 was sent to the affected policyholder(s) via first class mail to the last known mailing address on record within 30 calendar days from the date of the filing with the South Carolina Department of Insurance.

Signature of Officer*

Printed Name of Officer

Date

Officer's Title

Address of Officer

**If the individual signing this attestation and certification is not the president, vice president, assistant vice president, corporate secretary, assistant corporate secretary, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel, or an actuary that is also a corporate officer, documentation must be included that shows this individual has been appointed as an officer of the entity by the Board of Directors.*

Exhibit B

COMPANY LETTERHEAD / LOGO

Date [*enter date*]

[*enter policyholder name*]

[*enter policyholder address*]

[*enter policyholder city, state and zip code*]

RE: **Policyholder Notification of Proposed LTC Premium Rate Increase**
Policy number: [*enter policy number*]

Dear [*enter policyholder/owner name*]:

This notice is to inform you that [*Company Name*] has requested a rate increase for your Long-Term Care Insurance policy. This rate increase request was submitted to the South Carolina Department of Insurance for approval on [*enter date filing was submitted*]. The amount of the rate increase requested is [*enter rate information - This can be specific to each policyholder, or a range of the percentages requested - if range is used, it must include the maximum, minimum, and average percentages*].

If you would like to know how this proposed rate increase could potentially impact your insurance premium, or learn more about your options, you may contact us directly at:

[*enter Company Name*]

[*enter Company Address*]

[*enter Phone Number*]

[*enter Company Email*]

If a rate increase is approved, the new rate will apply to your next renewal.

[*The insurer can include options available to mitigate the rate increase.*]

The rate increase request must be approved by the South Carolina Department of Insurance before it becomes effective.

Any objections you have to this requested rate increase may be submitted in writing within thirty days' receipt of this notice to:

South Carolina Department of Insurance
P.O. Box 100105
Columbia, SC 29202-3105
Email: LTCobjections@doi.sc.gov

Sincerely,

[Company Representative]
[Company Name]

SAMPLE