



# South Carolina Department of Insurance

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Columbia, South Carolina 29201

HENRY McMASTER  
Governor

RAYMOND G. FARMER  
Director

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## MEDIA RELEASE

**For Immediate Release  
April 10, 2018**

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### **SOUTH CAROLINA DEPARTMENT OF INSURANCE ANNOUNCES RELEASE OF VOLKSWAGEN DRAFT BENEFICIARY MITIGATION PLAN, SETS PUBLIC MEETING**

COLUMBIA, SC – Ray Farmer, Director of the South Carolina Department of Insurance, announced today that the South Carolina Department of Insurance has released the [first draft of the Beneficiary Mitigation Plan](#) required under the Volkswagen Environmental Mitigation Trust. Governor Henry McMaster designated the Department of Insurance as the Lead Agency for administering South Carolina’s approximately \$34 million allocation as a beneficiary under the Trust in 2017.

The VW Environmental Mitigation Trust requires each beneficiary to develop a Beneficiary Mitigation Plan (BMP) that summarizes how the beneficiary plans to use the mitigation funds allocated under the Trust. Today’s announcement relates to the first draft of this document for South Carolina. The BMP details the state’s overall goal for the use of the funds and the categories of eligible mitigation actions the state anticipates to be appropriate to achieve these goals, among other things.

In conjunction with the release of this draft, Director Farmer announced that the Department will hold a public meeting to solicit comments and input regarding the draft BMP on Tuesday, May 1, 2018. The meeting details are as follows:

**Public Input Solicitation and Comments Meeting**  
**Re: South Carolina Draft Beneficiary Mitigation Plan**  
**Tuesday, May 1, 2018 | 1:00 p.m. – 3:00 p.m.**  
**South Carolina Bar Conference Center**  
**1501 Park Street | Columbia, South Carolina 29201**

“We welcome and encourage South Carolinians to participate in the public meeting,” said Director Farmer.

All meeting participants seeking to comment during this meeting are asked to submit written copies of their remarks at the time of the meeting for recordkeeping purposes. All organizations or interested parties planning to attend the public meeting should register in advance by emailing the name(s) and affiliations (if any) of the attendees(s) to [vwsettlement@doi.sc.gov](mailto:vwsettlement@doi.sc.gov) no later than Friday, April 27, 2018.

Comments will be accepted during this meeting and in writing until 5:00 p.m. Eastern Daylight Time on Friday, May 25, 2018.

Written comments may be submitted via email to [vwsettlement@doi.sc.gov](mailto:vwsettlement@doi.sc.gov) or via mail or hand delivery to:

South Carolina Department of Insurance  
Attn: Kendall Buchanan  
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The comments and information received will then be considered in reevaluating and/or modifying the draft Beneficiary Mitigation Plan.

To view the draft Beneficiary Mitigation Plan online, please go to the Department's VW website, [vwsettlement.sc.gov](http://vwsettlement.sc.gov). Copies will also be provided upon request by calling (803) 737-2420 or emailing [vwsettlement@doi.sc.gov](mailto:vwsettlement@doi.sc.gov). Questions regarding the May 1<sup>st</sup> public meeting can also be directed to [vwsettlement@doi.sc.gov](mailto:vwsettlement@doi.sc.gov) or (803) 737-2420.

### *Background Information*

As background, in September 2015, following investigations by the United States Environmental Protection Agency (EPA) and the California Air Resources Board (CARB), Volkswagen (VW) officials admitted to installing "defeat devices" on certain diesel vehicles sold in the United States. After an investigation and civil and criminal litigation, it was determined that these defeat devices had been installed in nearly 600,000 2.0 liter and 3.0 liter VW, Audi, and Porsche branded diesel vehicles sold in the United States.

The United States and California subsequently entered into a series of partial court settlements with VW to remedy the environmental and economic harm caused by the use of these defeat devices. As a part of those settlements, VW is required to mitigate excess emissions through the establishment of an Environmental Mitigation Trust totaling \$2.925 billion.

The \$2.925 billion is allocated for the benefit of the 50 states, the District of Columbia, and Puerto Rico, collectively the beneficiaries. As a designated beneficiary under the Trust, South Carolina's combined allocation is \$33,895,291.39.

On June 14, 2017, Governor Henry McMaster [announced](#) the South Carolina Department of Insurance (SCDOI) as the lead agency in administering South Carolina's allocation under the Environmental Mitigation Trust (EMT). On October 2, 2017, the U.S. District Court for the Northern District of California approved the [Finalized Trust Agreement](#) between the National Trustee (Wilmington Trust, N.A.), the United States, California, and Volkswagen. This Trust Agreement required each beneficiary to submit a Certification for Beneficiary Status Under Environmental Mitigation Trust Agreement (Appendix D-3 of the Finalized Trust Agreement). On November 21, 2017, the SCDOI [filed](#) the executed Certification on behalf of the state. On January 29, 2018, the National Trustee [officially designated](#) South

Carolina as a beneficiary under the Trust; the South Carolina Department of Insurance will serve as the lead agency for the State of South Carolina.

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