



Frequently Asked Questions Regarding South Carolina's Withdrawal from the Interstate Insurance Product Regulation Compact

1. Can the Department delay enforcement and/or implementation of the withdrawal from the Compact until a specific later date?

No, the statutory language is clear that the withdrawal is effective on the date the legislation is signed by the Governor. The Governor signed the legislation on May 16, 2022.

2. Is a Department bulletin legally binding guidance for insurers offering products in South Carolina?

Department 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 the legislation on their specific situation.

3. Can the Department confirm that all products, forms, and applications approved by the Compact for use in South Carolina can continue to be sold and used in South Carolina?

Yes.

4. Can filings currently under review by the Compact for use in South Carolina continue to be reviewed and approved by the Compact?

No, filings pending with the Compact on the date the legislation was signed by the Governor need to be withdrawn from the Compact and submitted to the Department.

5. Is Bulletin 2003-13 still in effect and applicable?

Yes, the review standards in [Bulletin 2003-13](#) are still in effect.

6. Will policy forms approved by the Compact continue to be administered in accordance with their terms which were approved by the Compact and comply with the applicable Compact standards?

Yes, the contract language would apply. The Department has the ability to view all products approved by the Compact for use in South Carolina via SERFF.



7. How will term conversions be handled? Currently, insurers are issuing new Compact approved policies pursuant to the requirements of their current policies.

Insurers will continue to have the ability to issue policies previously approved by the Compact for use in South Carolina. Any new products or revisions to products must be filed with the Department.

8. For deaths that occur after South Carolina exits the Compact, would companies pay Compact prescribed interest as defined in the policy or would they pay South Carolina mandated claims interest? What happens if penalty interest kicks in?

The contract language would apply.

9. Will changes to Compact approved forms be permitted to be sought through the Compact?

No, all form and rate filings need to be submitted to the Department for review. The filing description should include a statement that the prior filing was approved by the Compact as well as the SERFF tracking number of the Compact approved filing.

10. What would need to be filed in South Carolina to support filings for contract forms approved in a modular (variable) format that consists of a base contract form and multiple schedule pages (filed as a separate form with a unique form number) for products such as an individual flexible premium indexed life product, accompanied by a Statement of Variability (SOV)?

The same type of filing that would have been filed with the Compact would need to be filed with the Department.

For example, if a company desires to offer a new indexed account option, or product variation via a schedule page for a Compact previously approved contract, the company would file a new schedule page, actuarial memorandum and SOV only for approval through the Compact.

If all of the items to be changed were filed as variable, the process will be the same except instead of filing with the Compact, a filing with the requested change would be submitted to the Department. The filing description should include a statement that the prior filing was approved by the Compact as well as the SERFF tracking number of the Compact approved filing.

If the data page is filed as a part of the policy (same form number) the entire policy will need to be refiled to make the requested changes.

Please Note: If the changes requested in the filing impact the premium rates and/or nonforfeiture values for new policyholders only, a new form with a new form number will be required. This is to avoid the appearance of discriminatory pricing (*see SC 38-57-120*). This has been the SCDOI's process prior to withdrawing from the Compact.

11. What would need to be filed in South Carolina to add a new rider, amendment, or endorsement for issuance with a previously approved Compact form? Can we associate these to Compact approved forms?

A filing for a new rider, amendment or endorsement would need to be submitted to the Department. The filing description should include a statement that the prior filing was approved by the Compact as well as the SERFF tracking number of the Compact approved filing.

12. Will electronic filings through SERFF still be permissible?

Yes, all filings should be submitted via SERFF; see [Bulletin 2011-09](#) for additional information.

13. Will South Carolina allow for “mix and match?” Can the Department provide clarification for mix and match filings, similar to what the Compact provides?

The Department does not have an official “mix and match” option but will review these filings as it would any other filing. The filing description should include a statement that the prior filing was approved by the Compact as well as the SERFF tracking number of the Compact approved filing.

14. What resources does the Department have available to assist insurers with their submissions?

Yes, the Department issues guidance via bulletins, frequently asked questions documents, and its website (doi.sc.gov/lah). Insurers are also encouraged to contact the Department via lahmail@doi.sc.gov and to sign up to receive official notices from the Department at doi.sc.gov/notifyme (select the Bulletins & Orders distribution list).