

BULLETIN NUMBER 2022-03

TO: All Insurers and HMOs Licensed to Transact Insurance Business within the State of South Carolina

FROM: Michael Wise
Acting Director of Insurance 

SUBJECT: Withdrawal from the Interstate Insurance Product Regulation Compact

DATE: May 17, 2022

I. PURPOSE

The South Carolina General Assembly enacted Chapter 95, the *Interstate Insurance Product Regulation Compact (Interstate Compact)* in 2008 and re-enacted it in 2016. Once effective, the Interstate Compact continues in force and remains in effect until a compacting state withdraws or is terminated. See S.C. Code Ann. Section 38-95-140 (2016). A compacting state may withdraw from the compact by enacting a statute that specifically repeals the statute that enacted the compact into law. See S.C. Code Ann. Section 38-95-140 (2016). On May 16, 2022, Governor McMaster signed into law a bill that repealed Chapter 95 of Title 38, governing South Carolina's participation in the Interstate Insurance Product Regulation Compact. Withdrawal is effective on the date the statute was repealed (i.e., May 16, 2022).

Withdrawal from the Interstate Compact was recommended due to a conflict between a recently enacted South Carolina statute and the Interstate Compact law for long-term care insurance. After the re-enactment of the Interstate Compact in 2016, the South Carolina General Assembly enacted S.C. Code Ann. Section 38-72-75, S.C. Code of Laws, which requires all long-term care premium rate schedules to be filed with the South Carolina Department of Insurance (SCDOI) and makes those filings subject to the review and approval of the director or his designee.

South Carolina may reapply for admission to the Interstate Compact later, at which time it can select the standards that will be applicable to insurance products offered for sale in South Carolina.

II. FILINGS PREVIOUSLY APPROVED BY THE INTERSTATE COMPACT

South Carolina law provides “the withdrawal does not apply to a product filing approved or self-certified, or an advertisement of products, on the date the repealing statute becomes effective, except by mutual agreement of the commission and the withdrawing states unless the approval is rescinded by the withdrawing state as provided in item (5)¹.” See S.C. Code Ann. Section 38-95-140(A)(2) (2016). Any filings that have been previously approved by the Interstate Compact will be considered approved and should not be resubmitted to SCDOI for approval. However, any modifications or subsequent changes to those filings must be submitted to SCDOI through the System for Electronic Rate and Form Filings (SERFF) for its review and action.

III. FILINGS CURRENTLY PENDING WITH THE INTERSTATE COMPACT

Any filings currently pending with the Interstate Compact as of the effective date of the law cannot be approved by the Interstate Compact for use in South Carolina. Those filings must be submitted to SCDOI through SERFF for review prior to being used in South Carolina. Review standards vary by type of filing and product; please refer to the [Filing Type Table](#) on SCDOI’s website, doi.sc.gov/lah for additional information. In accordance with Section 38-61-20(D) and SCDOI Bulletin 2003-13, the director can exempt certain forms from prior approval. Insurers are required to file those products with SCDOI. Insurers that submit products that are exempt from prior approval must comply with the requirements set forth in Bulletin 2003-13.

IV. QUESTIONS

Insurers should check SCDOI’s Life, Accident, & Health webpage at doi.sc.gov/lah for updates and a [frequently asked questions document](#) regarding withdrawal from the Interstate Compact. Other questions should be directed to lahmail@doi.sc.gov.

¹ Moreover, South Carolina law provides that “the commission’s approval of products and advertisement before the effective date of withdrawal continues to be effective and be given full force and effect in the withdrawing state, *unless* formally rescinded by the withdrawing state in the same manner as provided by the laws of the withdrawing state for the prospective disapproval of products or advertisement previously approved pursuant to state law.” See S.C. Code Ann. Section 38-95-140(A)(5).

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