

HEALTHCARE AND REGULATORY SUBCOMMITTEE

Department of Insurance

CONTENTS

Agenda .....2

Minutes .....4

Agency Overview.....7

Agency Presentation .....9

# AGENDA



SOUTH CAROLINA  
HOUSE OF REPRESENTATIVES  
GOVERNMENT EFFICIENCY &  
LEGISLATIVE OVERSIGHT COMMITTEE

---

Healthcare and Regulatory  
Subcommittee

Chairman John R. McCravy, III

The Honorable Lucas Atkinson

The Honorable Kathy Landing

The Honorable Annie E. McDaniel

The Honorable Marvin “Mark” Smith

---

AGENDA

---

Tuesday, May 27, 2025

10:30 AM

Room 110 – Blatt Building

- I. Approval of Minutes of March 28, 2024 Meeting
- II. Discussion of the study of the Department of Insurance
- III. Adjournment

# MINUTES





**SOUTH CAROLINA  
HOUSE OF REPRESENTATIVES  
GOVERNMENT EFFICIENCY &  
LEGISLATIVE OVERSIGHT COMMITTEE**

Chair Jeffrey E. “Jeff” Johnson

Vice-Chair Chris Wooten

Lucas Atkinson  
William H. Bailey  
Phillip Bowers  
Gary S. Brewer Jr.  
Kambrell H. Garvin  
Leon Douglas “Doug” Gilliam

Wendell K. Jones  
Kathy Landing  
John R. McCravy III  
Annie E. McDaniel  
Timothy A. “Tim” McGinnis  
Travis A. Moore

Scott Montgomery  
Michael Rivers  
Richard B. “Blake” Sanders  
Marvin “Mark” Smith  
Robert Williams  
Paul B. Wickensimer

Lewis Carter  
Research Director

Cathy Greer  
Administrative Coordinator

Roland Franklin  
Legal Counsel

Charlie LaRosa  
Research Analyst

Riley McCullough  
Research Analyst

Post Office Box 11867  
Columbia, South Carolina 29211  
Telephone: (803) 212-6810 Fax: (803) 212-6811  
Room 228 Blatt Building

---

## MEETING MINUTES

---

Tuesday, March 28, 2024

9:00 a.m.

Room 108 – Blatt Building

### Archived Video Available

- I. Pursuant to House Legislative Oversight Committee Rule 6.7, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly’s website (<http://www.scstatehouse.gov>) and clicking on Committee Postings and Reports, then under House Standing Committees click on Legislative Oversight. Then, click on Video Archives for a listing of archived videos for the Committee.

### Attendance

- I. The Healthcare and Regulatory Subcommittee meeting was called to order by Chair Joseph H. Jefferson on Tuesday, March 28, 2024, in Room 108 of the Blatt Building. All subcommittee members (Chair Jefferson; Representative April Cromer; Representative Roger K. Kirby; Representative Thomas Duval “Val” Guest, Jr.; Representative Marvin “Mark” Smith) were present for all or a portion of the meeting.

### Minutes

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings.

## Approval of Minutes

- I. Representative Guest made a motion to approve the meeting minutes from prior meeting. A roll call vote was held, and the motion passed.

Rep. Guest motion to approve meeting minutes.	Yea	Nay	Not Voting
Rep. Cromer	✓.		
Rep. Guest	✓.		
Rep. Kirby	✓.		
Rep. Smith	✓.		
Rep. Jefferson	✓.		

## Discussion of Department of Consumer Affairs (DCA), Findings and Recommendations

- I. Prior to beginning her testimony, Chair Jefferson informs Carri Grube-Lybarker, DCA director, that she remains under oath. Chair Jefferson also acknowledges Mr. Sims Floyd of the SC Automobile Dealers Association.
- II. Members review and consider the findings and recommendations for inclusion in the subcommittee report.
- III. Members directed questions to Director Grube-Lybarker and Mr. Sims Floyd. Comments provided during this portion of the meeting led the subcommittee to amend Recommendation 3.
- IV. Representative Smith made a motion that the subcommittee study include the findings and recommendations, as outlined in the meeting packet and revised during the meeting, for inclusion in the study report. A roll call vote was held, and the motion passed.

Rep. Smith motion to approve findings and recommendations.	Yea	Nay	Not Voting
Rep. Cromer	✓.		
Rep. Guest	✓.		
Rep. Kirby	✓.		
Rep. Smith	✓.		
Rep. Jefferson	✓.		

- V. Chairman Jefferson instructed staff to update the subcommittee study report with the motions adopted during the meeting and provide a copy to all subcommittee members by the end of business Friday, April 29th, 2024.

## **Adjournment**

- I. There being no further business, the meeting is adjourned.

DRAFT

# AGENCY OVERVIEW

# DEPARTMENT OF INSURANCE OVERVIEW



## EMPLOYEES

112

Authorized FTEs

## FUNDING

\$16,224,365

Total Funds

## ABOUT

The Department of Insurance is an agency of the Governor's Cabinet. It is managed and operated by the Director appointed by and serves at the will of, the Governor upon the advice and consent of the South Carolina Senate.

## MISSION

The mission of the State of South Carolina Department of Insurance (SCDOI) is to protect the insurance consumers, the public interest, and the insurance marketplace by ensuring the solvency of insurers; by enforcing and implementing the insurance laws of this State; and by regulating the insurance industry in an efficient, courteous, responsive, fair, and equitable manner.

## VISION

The Department of Insurance envisions a competitive and financially stable insurance marketplace. To this end, the Department regulates the insurance marketplace by firmly and fairly implementing and enforcing the insurance laws.

## AGENCY LEADERSHIP

- ❖ **Tom Watson** – Agency Director
- ❖ **Diane Cooper** – Deputy Director, Consumer and External Affairs
- ❖ **Gwen Fuller-McGriff** – Deputy Director, Legal, Legislative, & External Affairs
- ❖ **Geoffrey Bonham** – Deputy Director, Financial Regulation and Solvency
- ❖ **Tommy Watson** – Deputy Director, Administration

## DEPARTMENTS

- ❖ Executive Services
- ❖ Division of Administration
- ❖ Division of Licensing and Consumer Services
- ❖ Office of Legal, Legislative & External Affairs
- ❖ Fraud Division
- ❖ Division of Financial Regulation & Solvency
- ❖ Division of Actuarial and Market Services

## HISTORY

- ❖ **1908** - The Insurance Department was a part of the Comptroller General's Office until 1908 when the South Carolina Insurance Commission was created.
- ❖ **1947** – The Commission became a formal department, with the SCDOI becoming the state agency responsible for regulating the insurance industry in SC.
- ❖ **1995** – State Government Restructuring Act  
In 1995, the Department became a cabinet agency with a director appointed by the Governor upon advice and consent of the Senate. Lee Jedziniak was appointed the first Director of Insurance in 1995.
- ❖ **2007** – The South Carolina Safe Home Program was established through the Omnibus Coastal Property Insurance Reform Act of 2007.
- ❖ **2019** – South Carolina began regulating Pharmacy Benefit Managers (PBMs) in accordance with SC Act No. 48.
- ❖ **2021** – The Office of the Attorney General, SLED, and the Department of Insurance executed a Memorandum of Understanding to relocate the Insurance Fraud Division to the Department of Insurance.

# AGENCY PRESENTATION

# SOUTH CAROLINA DEPARTMENT OF INSURANCE





# DIRECTOR MICHAEL WISE

- Michael Wise was appointed Director of the South Carolina Department of Insurance in May 2023, following the retirement of Raymond G. Farmer.
- Prior to his appointment as Director, he served as Deputy Director of the Actuarial and Market Services division, responsible for actuarial analyses, policy form and rate reviews, and the monitoring of traditional insurance markets.
- He is an active participant in the National Association of Insurance Commissioners.
- Wise holds a bachelor's degree in mathematics -economics from Furman University, is an Associate of the Casualty Actuarial Society, a member of the American Academy of Actuaries, and a recent graduate of the South Carolina Executive Institute.
- Wise is also a recent recipient of the American Academy of Actuaries Rising Actuary Award.





# STATUTORY AUTHORITY

## Title 38

The Department of Insurance receives its authority and statutory duties from Title 38 of the South Carolina Code of Laws.

## Duties of the Director

Section 38 -3-110 outlines the duties of the Director. It says he must:

- (1) supervise and regulate the rates and service of every insurer in this state and fix reasonable standards, classifications, regulations, practices, and measurements of service to be observed and followed by every insurer doing business in this State.
- (2) see that all laws of this state governing insurers or relating to the business of insurance are faithfully executed and make regulations to carry out this title and all other insurance laws of this State.
- (3) report criminal violations to the Attorney General or other appropriate law enforcement.
- (4) institute civil actions, either through his office or the Attorney General, relative to the business of insurance or the provisions of this title which he considers necessary to institute.
- (5)(a) the director may hold a public hearing in the seacoast area to offer an opportunity to discuss the South Carolina Wind and Hail Underwriting Association
- (b) engage in efforts to provide market assistance and promote consumer education to SC residential property insurance consumers
- (c) produce an annual report to the legislature on the Coastal Property Insurance Market



# Mission Statement

The mission of the South Carolina Department of Insurance is to protect the insurance consumers, the public interest, and the insurance marketplace by ensuring the solvency of insurers; by enforcing and implementing the insurance laws of this State; and by regulating the insurance industry in an efficient, courteous, responsive, fair, and equitable manner.



# Director's Vision

Increase consumer engagement through educational outreach programs.

Enhance consumer protection efforts through complaint resolution, ensuring carrier compliance and insurer solvency.

Promote well-functioning, competitive insurance markets, utilizing data to make informed decisions and policy.

Cultivate a culture of public service, always focusing on what is best for the people of South Carolina.





# SCDOI Significant Historical Events

1908



The Insurance Department was a part of the Comptroller General's Office until 1908 when the South Carolina Insurance Commission was created.

1947



The Commission became a formal department, with the SCDOI becoming the state agency responsible for regulating the insurance industry in SC.

1995



*State Government Restructuring Act*

In 1995, the Department became a cabinet agency with a director appointed by the Governor upon advice and consent of the Senate.

Lee Jedziniak was appointed the first Director of Insurance in 1995.

# SCDOI Significant Historical Events

2007

The South Carolina Safe Home Program was established through the Omnibus Coastal Property Insurance Reform Act of 2007.

2019

South Carolina began regulating Pharmacy Benefit Managers (PBMs) in accordance with SC Act No. 48.

2021

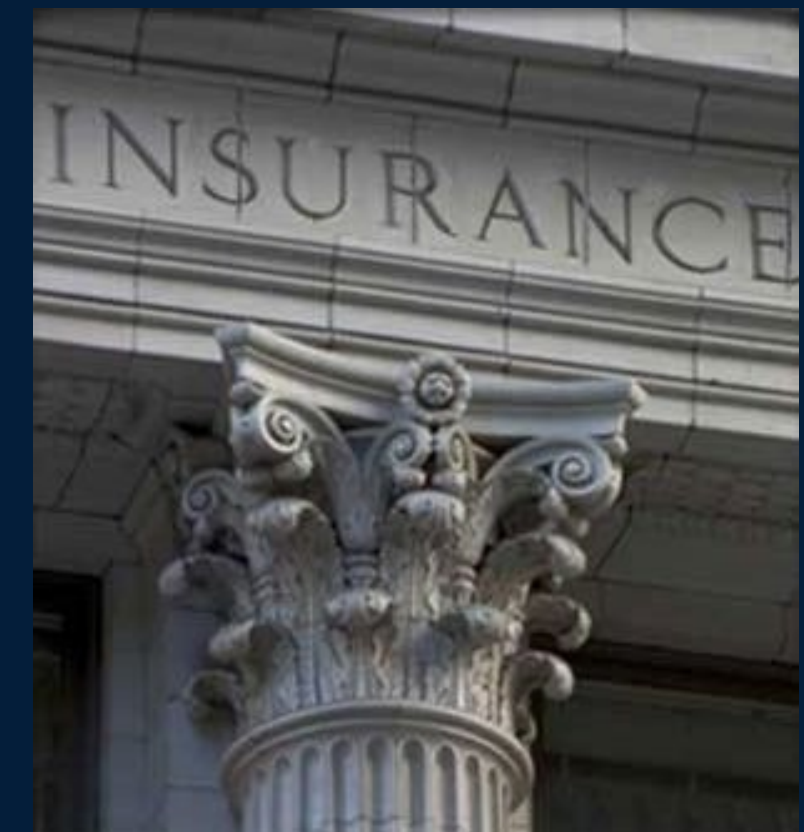
The Office of the Attorney General, SLED, and the Department of Insurance executed a Memorandum of Understanding to relocate the Insurance Fraud Division to the Department of Insurance.

INSURANCE  
COMMISSIONERS  
AND DIRECTORS

FITZHUGH MCMASTER	1908	- 1917	
WILLIAM MCSWAIN	1918	- 1921	
JOHN J. MCMAHAN	1922	- 1927	
SAM B. KING	1928	- 1941	
WILLIAM EGLESTON	1942	- 1943	
D.D. MURPHY	1944; 1949	- 1953	
L. GEORGE BENJAMIN	1945	- 1947	
R. LEE KELLY	1954	- 1957	
WILLIAM F. AUSTIN	1960	- 1963	
CHARLES GAMBRELL	1964	- 1966	
LEROY BRANDT	1967	- 1969	
JOHN W. LINDSAY	1970	- 1972; 1975	- 1981
HOWARD B. CLARK	1973	- 1974	
ROGERS T. SMITH	1982	- 1984	
JOHN RICHARDS	1985	- 1995	
SUZANNE MURPHY	3/1995	- 6/1995	
LEE P. JEDZINIAK (FIRST DIRECTOR)	1995	- 1999	
ERNST CSISZAR	1999	- 2004	
GWENDOLYN F. MCGRUFF AND WALTER "TIMOTHY"			
BAKER (ACTING CO -DIRECTORS)	2004	- 2005	
ELEANOR KITZMAN	2005	- 2007	
SCOTT RICHARDSON	2007	- 2011	
DAVID BLACK	2/2011	- 12/2011	
GWENDOLYN MCGRUFF (INTERIM)	1/2012	- 12/2012	
RAYMOND G. FARMER	2012	- 2022	
MICHAEL WISE	2023	- PRESENT	

# Federal & Local Counterparts

- The McCarran-Ferguson Act, passed in 1945, established the current regulatory regime of state regulation for the insurance industry in the United States.
- The Act reaffirmed the authority of individual states to regulate and tax the insurance industry within their borders. This means insurance companies must comply with state laws regarding licensing, rates, and other practices.
- As such, there are no overlapping federal or local counterparts.



# ORGANIZATIONAL OVERVIEW

❖ ADMINISTRATION

❖ LEGAL, LEGISLATIVE &  
REGULATORY AFFAIRS

❖ FINANCIAL REGULATION &  
SOLVENCY

❖ FRAUD DIVISION

❖ CONSUMER & EXTERNAL  
AFFAIRS

❖ MARKET SERVICES DIVISION

❖ ACTUARIAL SERVICES

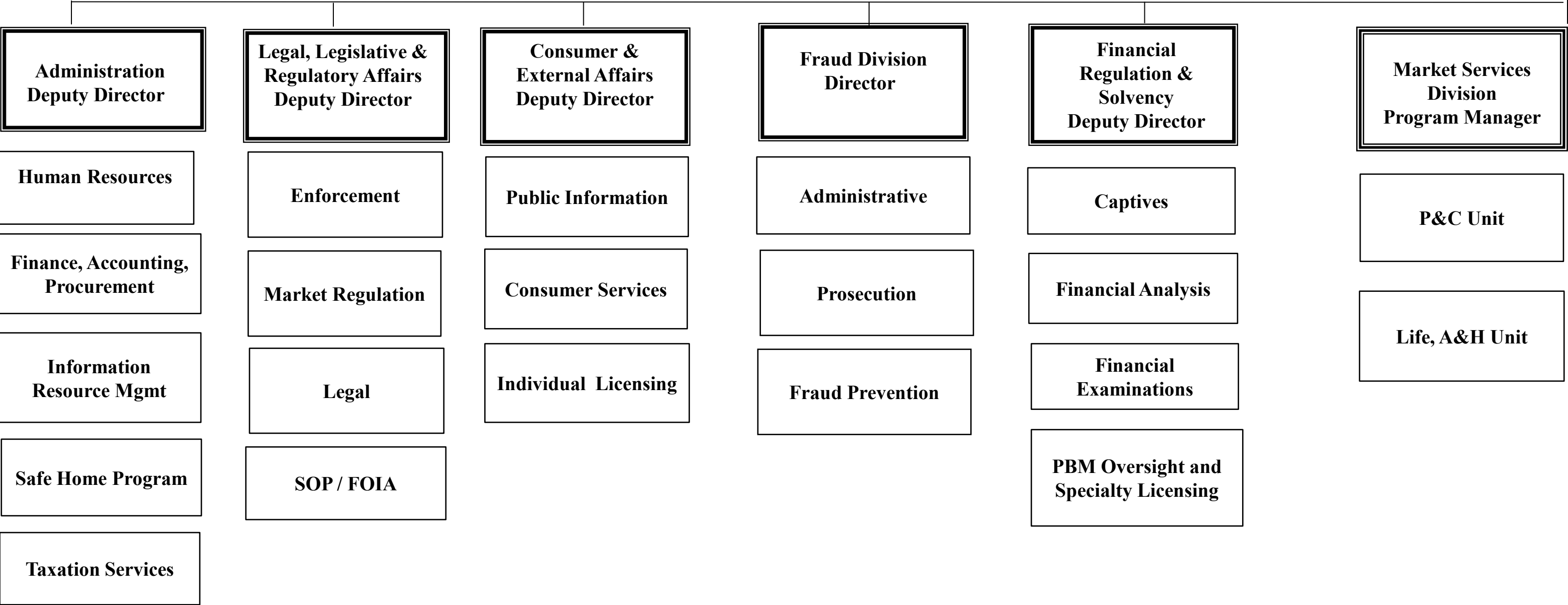


South Carolina Department of Insurance  
Organizational Chart

**Governor**

**Agency Director**  
**Department of Insurance**

**Executive Administration**



# Administration

The Administration area provides administrative support to all areas of the Department of Insurance.

This division provides human resource management for department personnel, monitors compliance with the department's policies and procedures, provides procurement and fiscal operations services and maintains department records. Information technology and network security is managed by the Administration division.

This division also includes Taxation (premium taxes collected and calendar year audits of tax returns) and SC Safe Home which provides grants to homeowners in SC coastal counties to help retrofit their homes.

Tom Watson, Deputy Director, Administration

# LEGAL, LEGISLATIVE & REGULATORY AFFAIRS

This area provides a variety of legal services to the regulatory units of the Department of Insurance.

The office represents the Department before state and federal courts and other administrative tribunals, drafts legal documents, and advises other program areas of the Department of Insurance on legal issues that arise in the course of their work.

The office also initiates enforcement or administrative disciplinary action against Department licensees and those entities engaging in unauthorized transactions of insurance business.

Gwendolyn McGriff, Deputy Director, Legal, Legislative & Regulatory  
Affairs

# FINANCIAL REGULATION & SOLVENCY

The Financial Regulation & Solvency division licenses all insurers doing business in SC and ensures that domestic insurers remain solvent.

It must occasionally place restrictions on companies prior to licensing them and monitors these companies' compliance.

The division continually reviews the financial condition of all domestic insurers and conducts detailed financial examinations of companies every five years or as otherwise required by law. When necessary, the division makes recommendations to the Director regarding appropriate administrative and regulatory action in accordance with the SC Code of Laws.

A key function of this division is the promotion of the captive insurance industry in South Carolina.

The Office of PBM Oversight and Specialty Licensing also falls under this division.

Geoffrey R. Bonham, Deputy Director, Financial Regulation & Solvency

# FRAUD DIVISION

The Insurance Fraud Division works to raise consumer awareness of the various forms of insurance fraud and investigates and prosecutes perpetrators of insurance fraud in South Carolina.

Joshua R. Underwood, Special Assistant Attorney General Director,  
Insurance Fraud Division

# CONSUMER & EXTERNAL AFFAIRS

**The Office of Consumer Services (OCS)** provides assistance to consumers on a wide range of insurance claim and policy issues. The office responds to inquiries, market assistance requests, and consumer complaints. Members of the OCS team travel around the state participating in educational and hurricane preparedness events.

**The Office of Individual Licensing** oversees the licensure of individuals and agencies conducting the business of insurance in South Carolina. They process applications, monitor CE requirements for agents, manage producer appointment renewals, process 1033 waiver applications, and manage the licensure of bondsmen.

**The Public Information Office** is responsible for disseminating information to the public using various mediums. The office responds to media inquiries and ensures that information is shared between different divisions.

Diane Cooper, Deputy Director, Consumer

& External Affairs

# MARKET SERVICES DIVISION

This division is responsible for reviewing policy forms, rates, and rule filings from insurers that provide property, casualty, life, accident and health products.

Michael Wise, Director

# ACTUARIAL SERVICES DIVISION

The Actuarial Services division provides actuarial analyses to all program areas, notably ratemaking and reserving.

Michael Wise,  
Director



# Key Issues

Matters that have recently been of particular interest to the Department and SC consumers.



# COASTAL PROPERTY INSURANCE

Catastrophe exposed property markets are experiencing difficulties throughout the country.

This is driven by several things:

- drain on surplus from natural disasters impacting the US and other parts of the world (reinsurance is global)
- rising reinsurance costs
- lack of reinsurance capacity
- rating agency downgrades
- increase in frequency and severity of natural disasters
- higher repair and replacement costs
- inflationary pressures
- insurance fraud

We've seen a handful of coastal writers exit the state during the past several years, but we have worked with other carriers in an effort to ensure continuity of coverage for the impacted policyholders when possible.



# COASTAL PROPERTY INSURANCE

- The South Carolina Wind and Hail Underwriting Association (SCWHUA) has not seen a significant increase in policies; some large (non-coastal specialist) carriers are picking up more coastal business.
- We've been reviewing rate filings and working with companies to ensure rate adequacy. It's paramount that insurers have sufficient funds available to pay claims.
- Rising home values means more insurance coverage is needed, resulting in higher premiums.





# COASTAL PROPERTY INSURANCE

The SCDOI is taking steps to address the difficulties facing the coastal property insurance market, such as:

- Working to identify quality insurers not operating in SC so that we can recruit them to conduct business in our state.
- Placing more conditions on new certificates of authority for property writers, including:
  - minimum risk-based capital maintenance thresholds
  - limitations on premium writings within the state
  - Larger deposits specifically for the benefit of South Carolina policyholders. For example, we've required carriers to have as much as an \$8 million deposit when warranted.
- Increased internal communication among Department divisions, particularly financial regulation, consumers, and rates and forms units.

**Consumers can:**

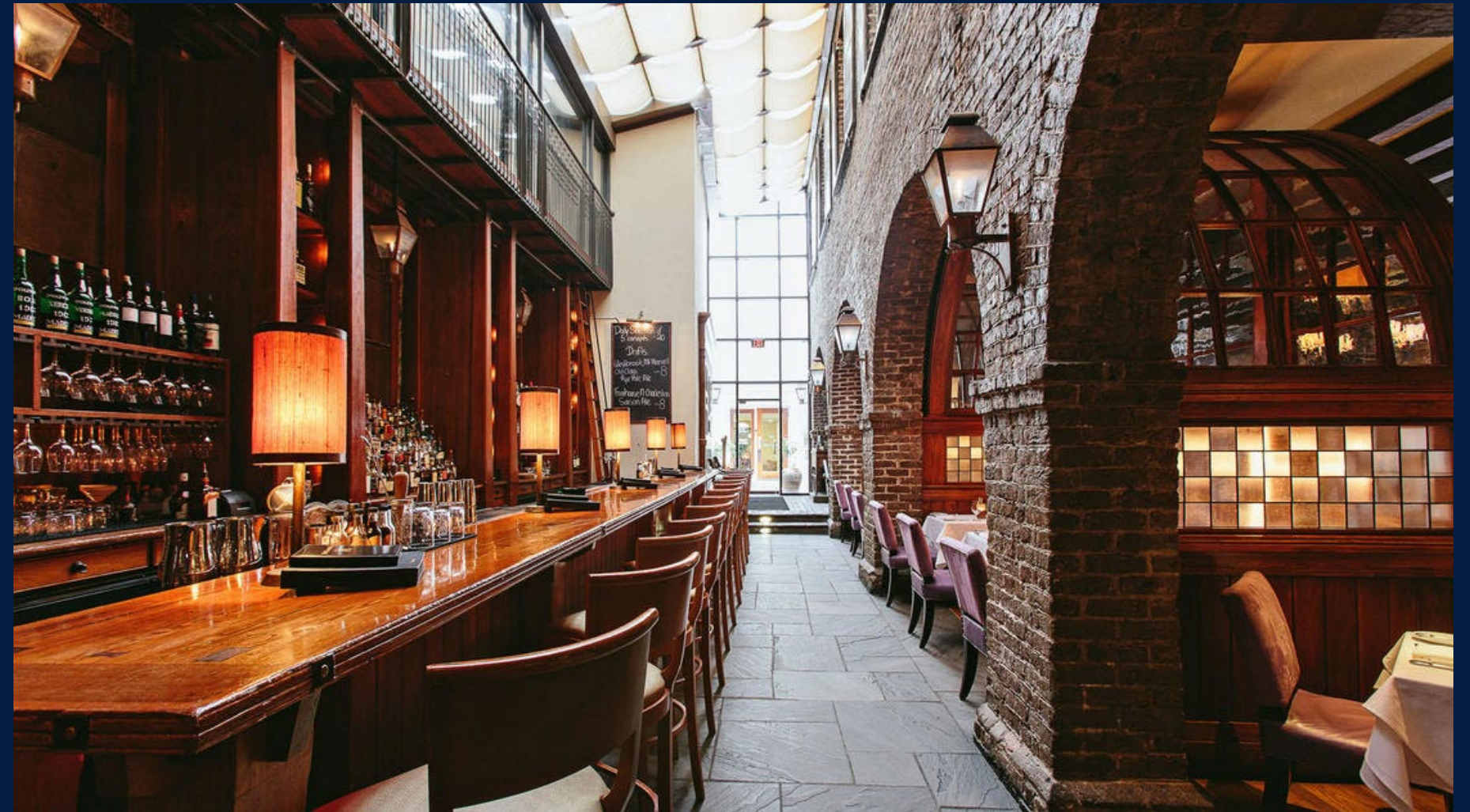
- speak with a trusted insurance agent,
- shop around well in advance of their policy renewal date,
- and consider coverage adjustments (e.g., higher deductible) that could best fit their situation.





# LIQUOR LIABILITY

- The liquor liability insurance market in South Carolina is troubled. South Carolina bars and restaurants have faced problems with the availability and affordability of this coverage.
- The Department has compiled and analyzed data from insurers authorized to write liquor liability insurance coverage in South Carolina and presented this information to the Legislature.
- Companies have lost about \$1.77 for every \$1 of premium earned over the last six years.
- In the worst year, companies lost \$2.60 per \$1 of premium earned.
- The same insurers have experienced better results in neighboring states, realizing a net profit.





# Federal Encroachment On State -Based Regulation

- Attempted Duplication of State Regulation
- International Confusion
- Potential for Politicization
- Cost and Burden
- Concerns about Data Collection
- Insurance concerns are localized and therefore, better addressed at the state level.



# Private Equity

- Private equity firms are increasingly investing in insurance companies, and insurance companies are investing into private equity for higher returns.
- Since the 2008 financial crisis, U.S. insurance companies increasingly acquired private equity investments.
- Additionally, there has been a recent trend of private equity companies acquiring insurance companies and investing their capital.
- Private equity investments are potentially more risky and more illiquid than other assets, but for institutional investors the high expected returns are a major attraction.



# Budget Overview

FY25 Budget as of 1/23/2025:

Total: \$26,685,106

State Appropriations:

\$ 8,527,826 (a)

Other Funds: \$18,157,280 (b)

(a) Includes \$663,631 carryforward for the Fraud Program.

(b) Includes \$200,000 increase in the uninsured motorist – admin. fund for laptop refresh  
and \$2,800,000 increase in the Safe Home mitigation fund for excess cash due to  
homeowners cancelling because of rising prices. Homeowners were unable to come up with  
their portion of the retrofits.



# Budget Overview

Much of the Department’s appropriated budget for FY25 (\$26,685,106) represents pass throughs (47%). -

- 22% - Safe Home (\$5,904,632)
- 8% - Uninsured Motorists Distributions (\$2,155,000)
- 17% - Solvency and Captives (\$4,711,824)

In FY24, the SCDOI collected \$376,341,094 in revenue from taxes, fees, assessments, fines, etc. and deposited \$361,550,737 into the State’s General Fund.

# Budget Overview

## Expenditures/ Appropriations Chart

### Base Budget Expenditures and Appropriations

MAJOR BUDGET CATEGORIES	FY 23-24 ACTUAL EXPENDITURES	
	Total Funds	General Funds
Personal Service	\$ 6,579,385	\$ 3,660,165
Other Operating	\$ 4,776,118	\$ 1,452,610
Special Items		
Permanent Improvements		
Case Services		
Distributions to Subdivisions	\$ 2,153,908	
Fringe Benefits	\$ 2,714,955	\$ 1,515,270
Non-recurring		
<b>Total</b>	\$16,224,366	\$ 6,628,045

# Budget Overview

MAJOR BUDGET CATEGORIES	FY 24-25 APPROPRIATIONS ACT		
	Total Funds	General Funds	Actuals (YTD 12-30-24)
Personal Service	\$ 8,784,204	\$4,921,774	\$ 3,847,813
Other Operating	\$ 12,548,058	\$1,900,897	\$ 3,092,284
Special Items			
Permanent Improvements			
Case Services			
Distributions to Subdivisions	\$ 2,155,000		\$ 2,154,510
Fringe Benefits	\$ 3,197,843	\$1,705,155	\$ 1,583,787
Non-recurring			
<b>Total</b>	\$ 26,685,105	\$8,527,826	\$10,678,394

# AUTHORIZED FTE BASE

AS OF  
01/02/2025

AUTHORIZED TOTAL FTE 112	AUTHORIZED STATE FTE 53.3	AUTHORIZED OTHER FTE 58.7
CURRENT VACANT POSITIONS 21	AUTHORIZED FEDERAL FTE 0	POSITIONS CURRENTLY POSTED 11

# FTE Turnover Rates

7/1/2023 to  
6/30/2024  
**One Year**

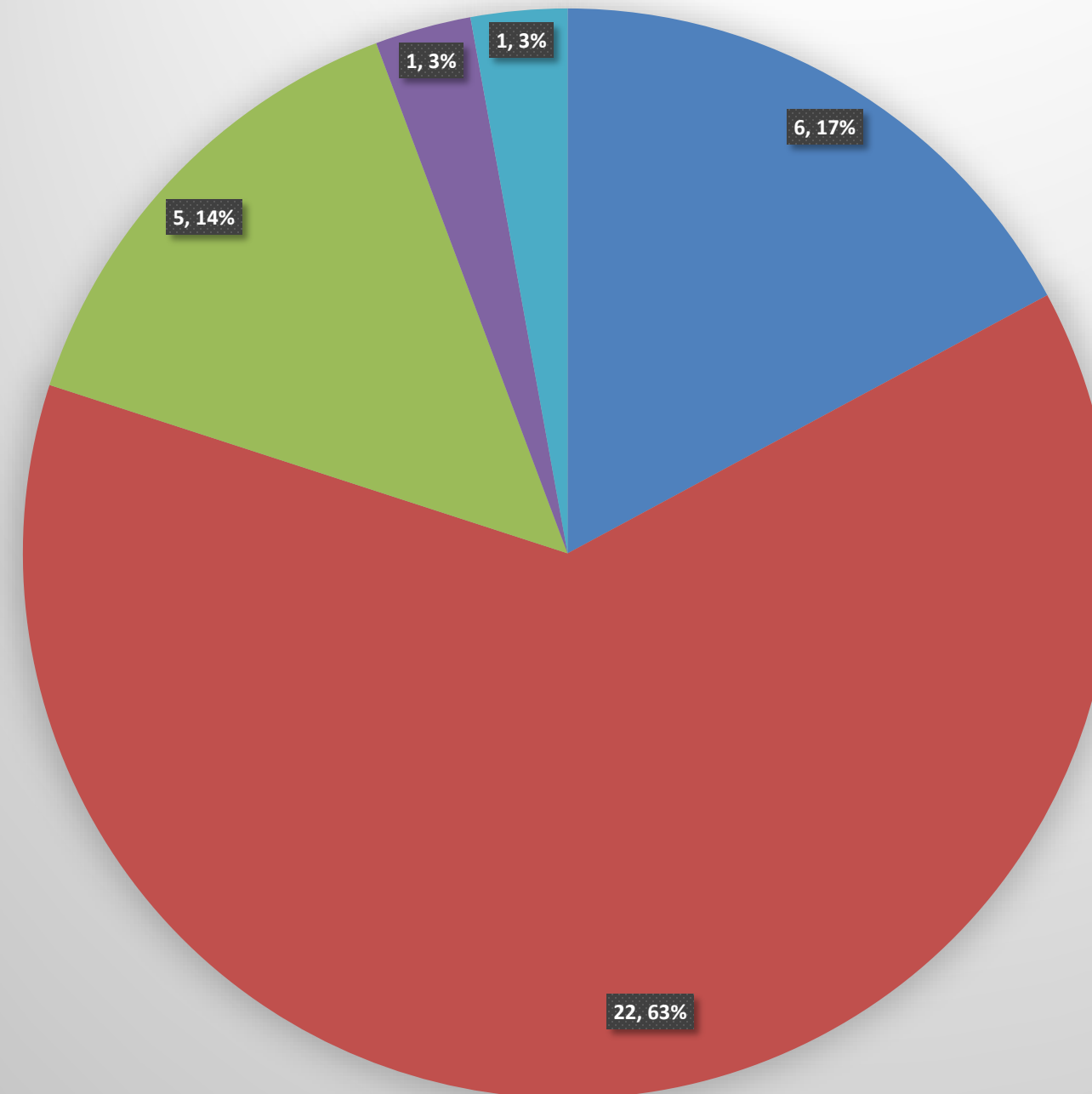
16.3%

7/1/2024 to  
12/31/2024  
**Six Months**

11.0%

1/1/2025 to  
4/30/2025  
**Five Months**

12.2%



## Reasons for Separation

- Diff Job/Diff State Agency
- Employed Outside State Gov
- Retirement
- Term - No Grievance Rights
- Violation of Agency Policy

# Administration

The Administration division provides administrative support to all areas of the Department of Insurance.

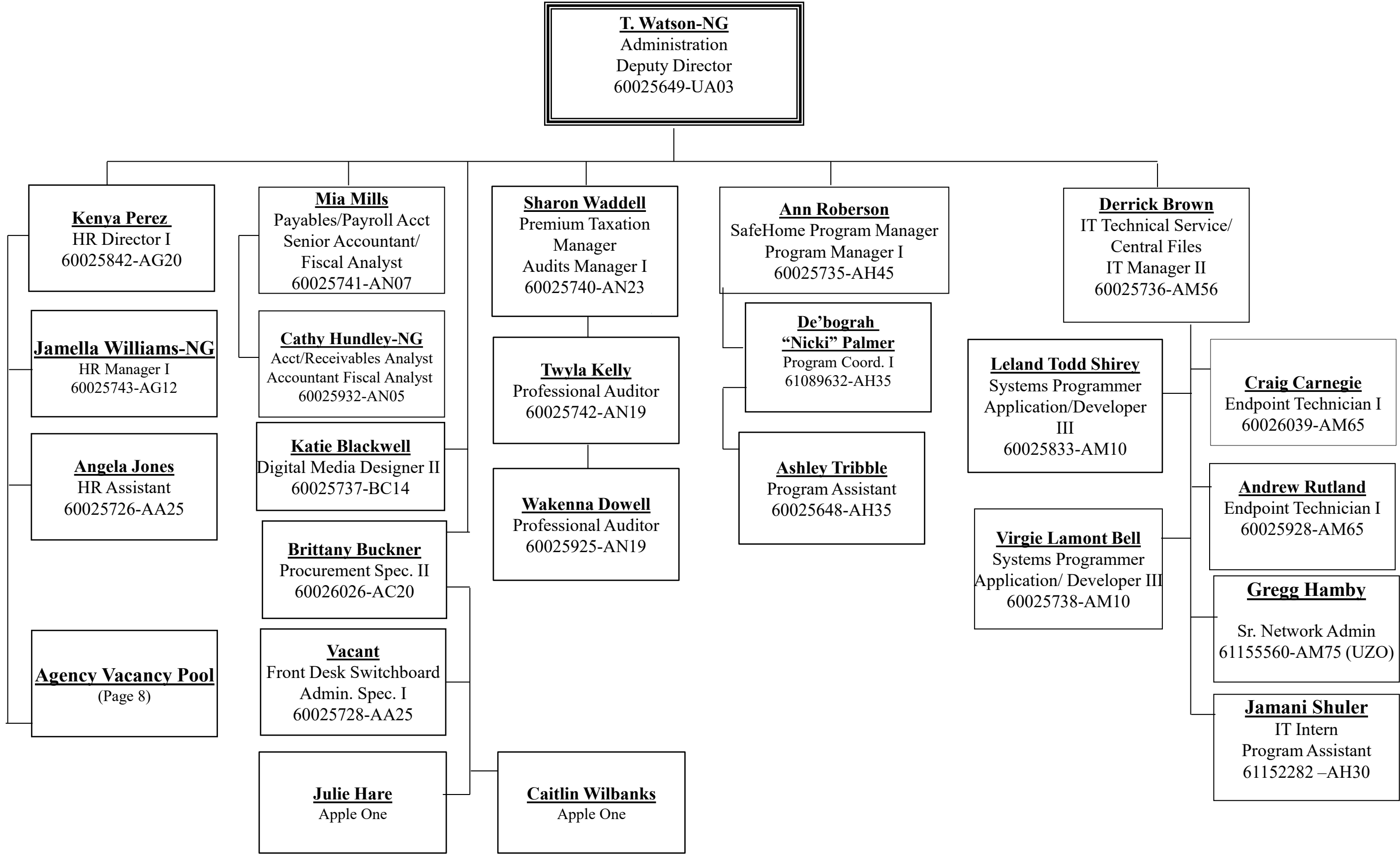
This division provides human resource management for department personnel, monitors compliance with the department's policies and procedures, provides procurement and fiscal operations services, and maintains department records. Information technology and network security is managed by the Administration division.

This division also includes Taxation (premium taxes collected and calendar year audits of tax returns) and SC Safe Home which provides grants to homeowners in SC coastal counties to help retrofit their homes.

Tom Watson, Deputy Director, Administration



South Carolina Department of Insurance  
Division of Administration



# Human Resources



Plans and administers workforce planning management programs and procedures for the SC Department of Insurance, including employee relations, classification and compensation, benefits, training, and other human resources programs. Manages the recruitment and selection function, including the hiring levels, posting, and advertising vacancies, evaluating applicant qualifications, coordinating EEO reviews, recommending salaries, and developing or securing supporting documentation for hiring levels. Maintains both federal and state compliance.

# Accounting

Develops and maintains standard accounting systems and internal controls, including recording, processing, and compiling of financial data by normal accounting processes. Responsible for all expenditures and collections. Responsible for preparing and processing payroll. Monitors cash and budget. Prepares weekly, monthly, and yearly reports.





# TAXATION

All insurance companies, including risk retention groups, captive insurance companies, and health maintenance organizations licensed to do business in SC must file their premium tax forms and fees with the Department by March 1 of each year.

Companies that file quarterly estimates must file those with the Department on or before June 1, September 1, and December 1. Taxation performs annual audits of insurance company premium tax filings. We also collect surplus lines premium taxes from Brokers .



# SC SAFE HOME MITIGATION GRANT PROGRAM

The South Carolina Safe Home program provides matching and non -matching grant funds to help coastal property owners retrofit their homes to make them more resistant to hurricanes and high -wind damage. The funds provided by this program are for the sole purpose of retrofitting owner -occupied, single -family homes. SC Safe Home funds may not be used for remodeling, home repair, or new construction.

Mitigation Award Type	Award Amounts
Resilient Mitigation Award	Non-matching Grants: \$7,500.00 Matching Grants: \$6,000.00
Sustainable Mitigation Award	Non-matching Grants: \$5,000.00 Matching Grants: \$4,000.00
Hurricane Shuttering and Protective Barrier Systems Award	Non-matching and Matching: \$3,000.00





# Information Technology

Manages all information technology for the Department including hardware, networks, phones, and applications/software. Provides end-user support. Ensures network and security are current and compliant with standards. Monitors network traffic and applications for suspicious activity.





# Customers

The Administration division provides support to all areas of the Department of Insurance, and serves external customers such as:

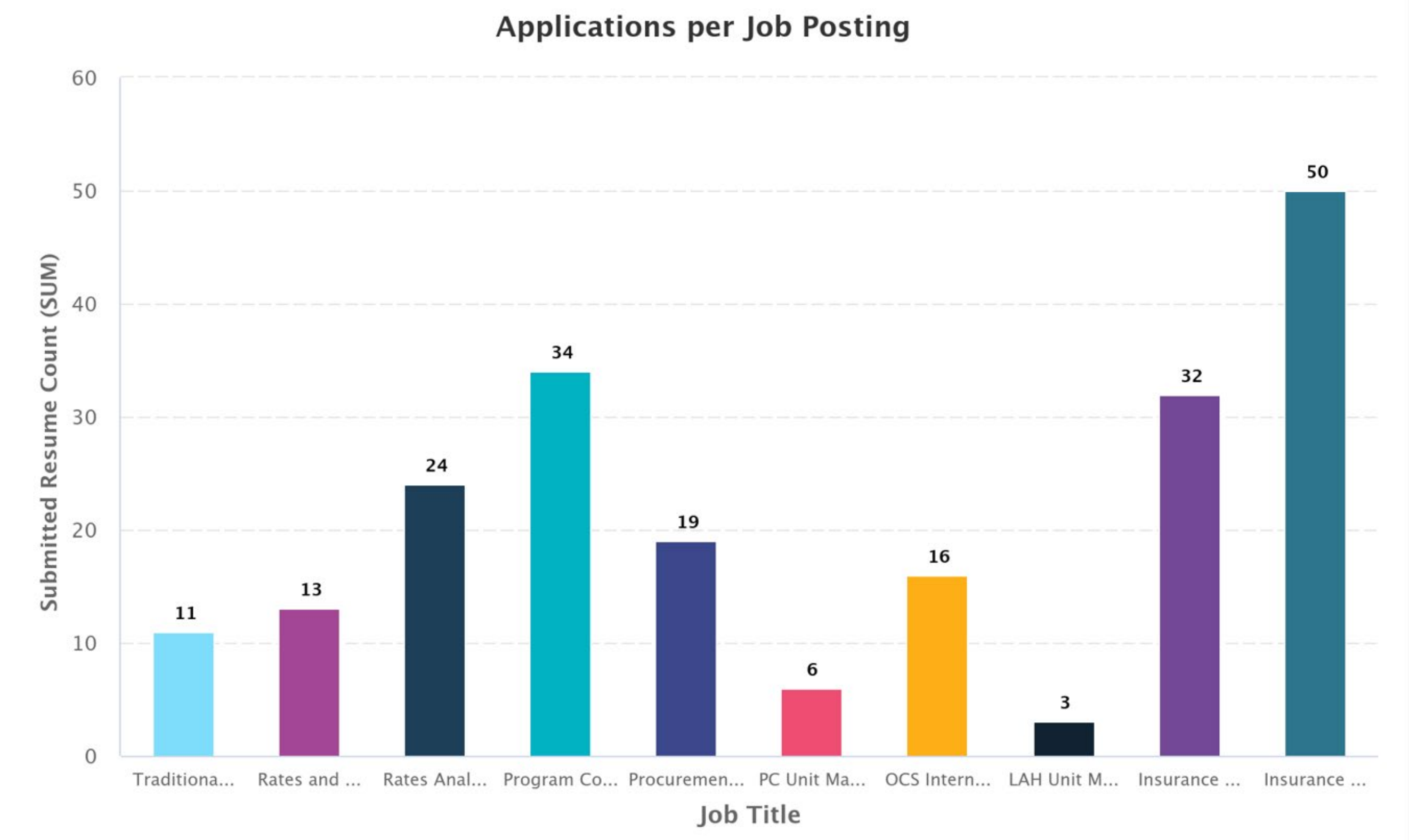
- Insurance companies including captives, producers, brokers, agents, premium tax preparers
- Vendors, homeowners, contractors, inspectors
- State agencies such as Comptroller General's Office, State Legislature, State Treasurer's Office, Human Resources, State Procurement, SC Revenue and Fiscal Affairs, SC Dept. of Admin., State Auditors Office, SFAA - Insurance Reserve, State Accident Fund, SCEIS (Dept. of Admin), Governor's Office, Attorney General's Office
- Municipal Association of SC
- SC Medical Malpractice Association
- Insurance Institute for Business & Home Safety (IBHS)
- Tyler Technologies
- National Association of Insurance Commissioners (NAIC)



# Administration's Metrics

January 2025 - May 2025

➤ Human Resources



# Administration's Metrics

➤ Human Resources

## January 2025 - May 2025 Recruitment Summary

Total Job Postings: 25

Total Applications Received: 672

Total Job Posting Views: 1,310



# Administration's Metrics

➤ Accounting – Electronic Payments

Period	Revenues Collected
FY24	464,204,294.79
FY25 thru 5-12-25	457,561,631.99
Totals	921,765,926.78

Counts of Receipts

	ACH Payments	Credit Card Payments	Manual Payments	Manual %	Electronic %
FY24	596,137	89	5,192	0.86%	99.14%
FY25 thru 5-12-25	481,531	67	4,754	0.98%	99.02%
Totals	1,077,668	156	9,946	0.91%	99.09%

79% of the manual payments are from Service of Process. A system we will discuss later on in our efforts to automate. The majority of the other 21% are from insurance companies and brokers that have payments exceeding the \$1,000,000 cap for ACH and credit cards.



# Administration's Metrics

## ➤ Accounting FY24 Payables/Invoices, Reporting and Tracking

- FY24 Payables – *invoices are routinely paid within 2 days of receipt*
  - Processed over 1,588 expenditure invoices for a total of \$7,013,773
  - Processed over 300 refunds or revenue payments for a total of \$61,849,135
    - \$ 1,477,468 to SC Medical Malpractice Association
    - \$36,243,992 to Municipal Association of SC
- Reporting Activities
  - Weekly
    - Cash Balances
    - Vendor Payments YTD
    - Common Allocation Splits
  - Monthly
    - Cash and Accounts Receivable Balances
    - Budget to Actual, including Cash Budget
    - Revenues
    - Approved Staff Training
    - Large Vendor Payments (> \$5k) during the month
  - Bi-Monthly
    - Personnel Payroll and Fringe Projections

# Administration's Metrics

## ➤ Taxation Calendar Year 2024 Premium Tax Audits

05/14/2025		Tax Audits Completed Tracking Summary										% Complete--> 82.49%		1,573	1,907	742	786	2	43
												Audit Completed	Total Companies	<div></div>					
Current Date--> 05/14/2025		# of Companies Available for Audit:				178		9.33%		Error--> 0									
Audit Period																			
Start	03/03/2025	# of Companies Completed Filing:				1,707		89.51%		<—plus one fake co not marked for flg_cmplt									
End	06/06/2025	Days Left	# of Companies Processed Filing:				1,894		99.32%										
# of Days	95	23	# of Companies Remaining:				334		17.51%		?? inactives or N/A								
Auditor	Assigned	Completed	% Complete	% Work Days Gone	% Ahead of Schedule (Behind Schedule)	# of Companies (Behind) Ahead													
	936	742	79.27%	76.30%	2.97%	27.81		13 Not filed/processed Companies				Total Counts--> Balanced							
	926	786	84.88%	76.30%	8.58%	79.44						Completed Counts--> Balanced							
	2	2	100.00%	76.30%	23.70%	0.47													
	43	43	100.00%	76.30%	23.70%	10.19													
Totals		1,907	1573	82.49%	76.30%	6.18%	117.91												
Balanced																			

# Administration's Metrics

➤ Taxation Calendar Year 2024 Premium Tax Audits

State's Recap--->		% Complete	1	Tot	1,907
Latest Count Date	05/14/2025	82.49%		Done	1,573
		% Complete	1	Tot	AK
		100.0%	1	Done	AK
		% Complete	30	Tot	AL
		96.7%	29	Done	AL
		% Complete	3	Tot	AR
		100.0%	3	Done	AR
		% Complete	42	Tot	AZ
		95.2%	40	Done	AZ
		% Complete	40	Tot	CA
		100.0%	40	Done	CA
		% Complete	0	Tot	CN
		#DIV/0!	0	Done	CN
		% Complete	14	Tot	CO
		100.0%	14	Done	CO



Partial  
Snapshot

# Administration's

# Metrics

➤ Taxation Calendar Year 2025 Brokers -Surplus Lines Premium Tax  
~ 526 Brokers


Brokers-->Qtrly Taxes - Owed versus Paid							Year--> 2025		/--Select for "Closed Quarters ONLY"--/			
							05/14/2025					
									**			



# Administration's Metrics

➤ Safe Homes – Online Portal

The South Carolina Safe Home program is not accepting new applications



Sign In to continue your existing application

Email Address

Password

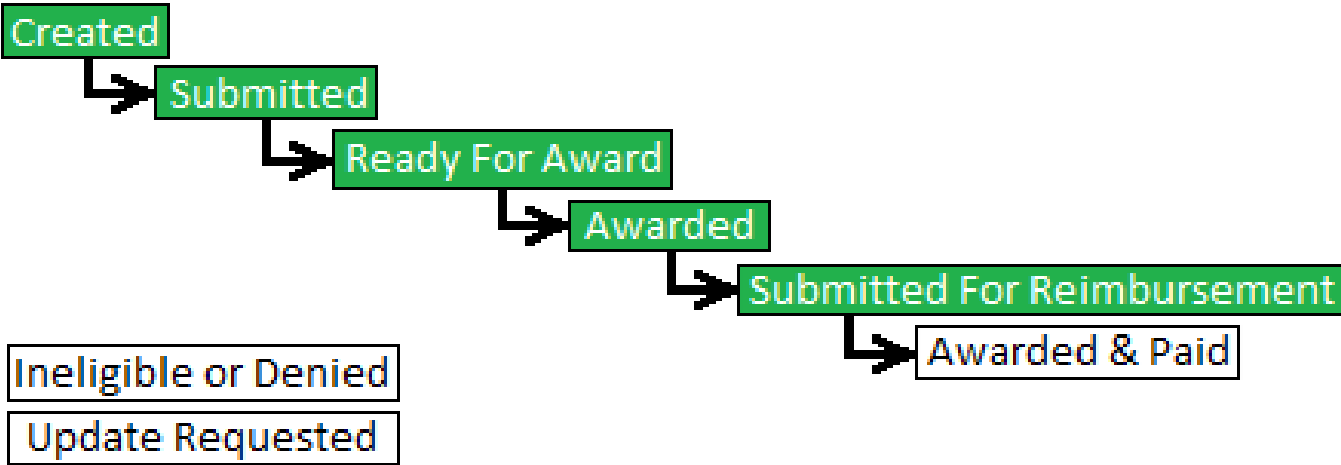
Log in

[Click Here](#) to be notified when funding is available.  
Having trouble logging in? [Reset Password](#)

Need Help? [Watch the video tutorials](#)  
or [Visit the SC Safe Home webpage](#)

[Privacy](#) | [Disclaimer](#)

Retrofit Type: Resilient Roof Standards (Safe Home and IBHS)



# Administration's Metrics

## ➤ Safe Homes – Online Portal

Homeowner To-do's					
<u>Assigned To</u>	<u>Task List</u>	<u>Action</u>	<u>Status</u>	<u>Other Information</u>	
Homeowner	Application	<button>Edit</button>	Complete	3/6/2025 11:44:39 AM	
Homeowner	Select Inspector	<button>Change</button>	Complete	Self	
Homeowner	Approve Home Survey Checklist	<button>Edit</button>	Complete	3/16/2025 4:00:59 PM	
Homeowner	Approve Recommended Improvements	<button>Edit</button>	Complete	3/17/2025 10:14:09 AM	
Homeowner	Elevation Certificate / Flood Policy	<button>Upload</button>	Complete	2 file(s)	
Homeowner	Proof of Income	<button>Upload</button>	Complete	2 file(s)	
Homeowner	Proof of Homeowners Insurance	<button>Upload</button>	Complete	1 file(s)	
Homeowner	County Tax Assessment	<button>Upload</button>	Complete	1 file(s)	
Homeowner	Request Contractor(s) Estimate(s)	<button>Request</button>	Complete	3/17/2025 12:19:14 PM	
Homeowner	Select Contractor	<button>Change</button>	Complete	<div></div>	
Homeowner	Approve Contractor Estimate	<button>Edit</button>	Complete	4/14/2025 9:15:44 PM	
Homeowner	Approve Reimbursement Form	<button>View</button>	Complete	4/30/2025 3:49:42 PM	

# Administration's Metrics

➤ Safe Homes – Online Portal

Inspector To-do's				
Assigned To	Task List	Action	Status	Other Information
Inspector	Uniform Inspection Report	Edit	Complete	3/16/2025 1:57:26 PM ⓘ
Inspector	Home Survey Checklist	Edit	Complete	3/16/2025 1:50:33 PM
Inspector	Photographs of Home	Upload	Complete	10 file(s) 📎
Inspector	Recommended Improvements	Edit	Complete	3/16/2025 1:54:55 PM ⓘ

Contractor To-do's				
Assigned To	Task List	Action	Status	Other Information
Contractor	Estimate of Work	Upload	Complete	1 file(s) 📎
Contractor	Signed Contract	Upload	Complete	2 file(s) 📎
Contractor	Building Permit	Upload	Complete	1 file(s) 📎
Contractor	Contractor Invoice	Upload	Complete	1 file(s) 📎
Contractor	Photographs of Retrofit	Upload	Complete	13 file(s) 📎
Contractor	Reimbursement Form	Edit	Complete	4/30/2025 1:37:01 PM ⓘ

# Administration's Metrics

➤ Safe Homes – Online Portal Activity (FY25 YTD)

Retrofit Type	Status
Awarded Count	101
Awarded and Paid Count	474
Canceled Count	8
Created Count	362
Ineligible or Denied Count	4
Ready For Award Count	4
Submitted For Reimbursement Count	2
Update Requested Count	20
Grand Count	975

Partial Snapshot

Homeowner	Email	Address	County	Family Size	AGI	Insurance Company	Homeowner Initial Estimate	Ready For Award Estimate	Final Award Amount	Initial Mitigation Estimate	Final Mitigation Amount	Contractor	Contractor Email	Inspector	Inspector Email	Funds Type	Retrofit Type	Status	Status Changed Date	Age
			Berkeley	1	\$45,110.00	State Farm	\$7,500.00	\$7,500.00		\$18,819.97						Non-Matching	Resilient Roof Standards (Safe Home and IBHS)	Awarded	04/22/2025	21
			Charleston	1	\$33,512.40	Front Line Ins	\$7,500.00	\$7,500.00		\$18,336.00						Non-Matching	Resilient Roof Standards (Safe Home and IBHS)	Awarded	04/23/2025	21
			Dorchester	2	\$222,245.00	Allstate Insur	\$6,000.00	\$6,000.00		\$12,223.72						Matching Fun	Resilient Roof Standards (Safe Home and IBHS)	Awarded	05/07/2025	7
			S Beaufort	1	\$30,824.00	All State	\$7,500.00	\$7,500.00		\$8,450.00						Non-Matching	Resilient Roof Standards (Safe Home and IBHS)	Awarded	05/07/2025	7
			Charleston	1	\$15,476.00	allstate	\$5,000.00	\$5,000.00		\$16,689.00						Non-Matching	Sustainable Standards (Safe Home Only) Roof and/or Re	Awarded	04/23/2025	21
			Georgetown	1	\$134,657.00	Orion 180	\$6,000.00	\$6,000.00		\$12,875.00						Matching Fun	Resilient Roof Standards (Safe Home and IBHS)	Awarded	05/05/2025	8



# Administration's Metrics

➤ Information Technology

Unassigned

Bulk Update

Search

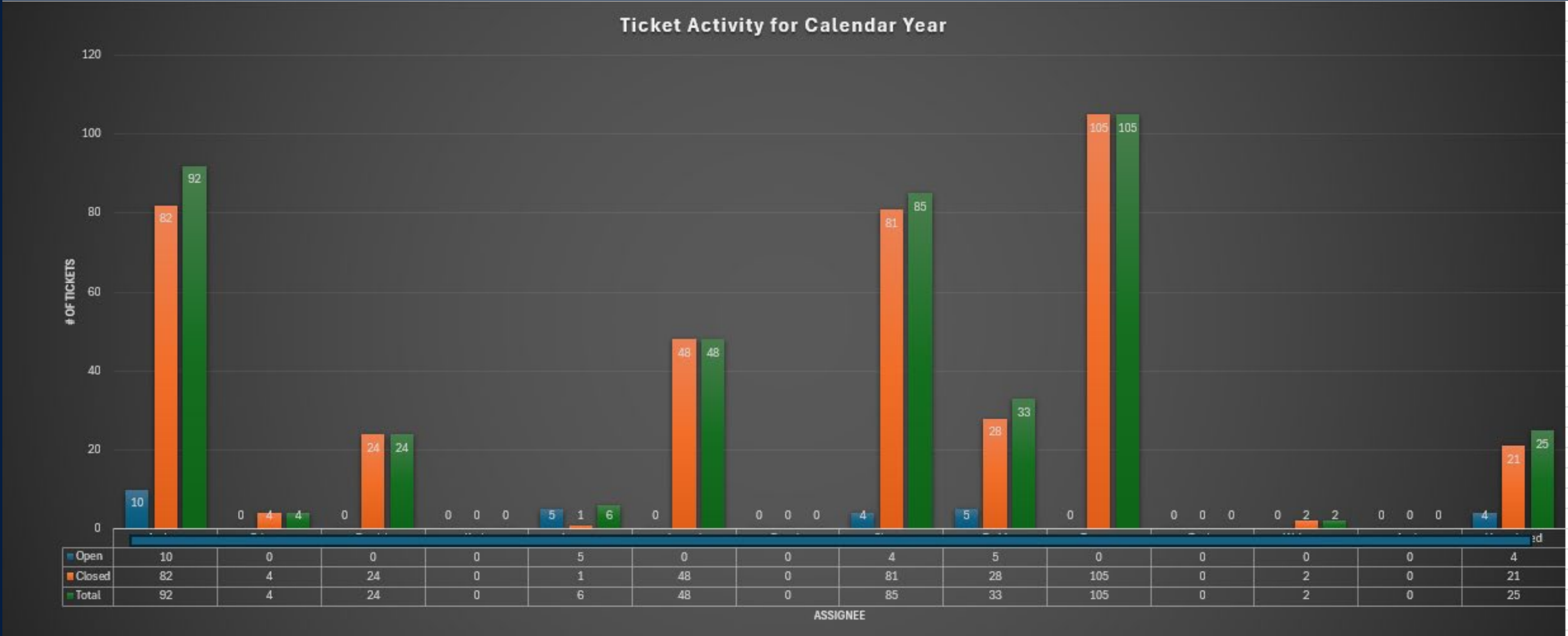
+ New Ticket

1 - 6 of 6

	ID	Summary	Assignee	Creator	Organization	Priority	Category	Status	Created	Updated
	8494		Accept		SCDOI New Employee	Medium		open	11m ago	11m ago
	8493		Accept		SCDOI Internal Help Desk	Medium	Unspecified	open	38m ago	38m ago
	8488		Accept		SCDOI New Employee	Medium		open	3h ago	3h ago
	8457		Accept		SCDOI Internal Help Desk	Medium		open	05/06/2025	05/06/2025
	8450		Accept		SCDOI Internal Help Desk	Medium	Applications - TeamMate	open	05/05/2025	05/05/2025
	7794		Accept		My SCDOI	Medium	General Inquiries	open	11/12/2024	11/25/2024

# Administration's Metrics

➤ Information Technology



Status	2020 Year	2021 Year	2022 Year	2023 Year	2024 Year	2025 Year	2026 Year									
Open or Waiting	2	9	1	11	21	28	0									
Closed	552	1,752	1,390	1,172	1,309	396	0									
Totals	554	1,761	1,391	1,183	1,330	424	0									
% Closed	99.64%	99.49%	99.93%	99.07%	98.42%	93.40%	#DIV/0!									

Current Calendar Year->2025															Assigned	Totals
Open	10	0	0	0	5	0	0	4	5	0	0	0	0	0	4	28
Closed	82	4	24	0	1	48	0	81	28	105	0	2	0	0	21	396
Total	92	4	24	0	6	48	0	85	33	105	0	2	0	0	25	424
Percent	21.70%	0.94%	5.66%	0.00%	1.42%	11.32%	0.00%	20.05%	7.78%	24.76%	0.00%	0.47%	0.00%	5.90%	100.00%	

# Challenges/Successes/Opportunities

## Challenges for Administration

- Human Resources
  - Handling the volume of employees coming and going. We have fully embraced interns which have resulted in some new hires upon graduation
- Accounting/payables/receivables/procurement
  - Re-write Service of Process (SOP) system to be fully electronic to include payments. Most payments we receive via check are related to this area
  - It would be nice if SCEIS could generate a personnel payroll and fringe projection utilizing vacant positions that are populated with estimated hiring salary
- Taxation
  - Continue to enhance the Taxation applications or replace them with a third-party product
- Safe Homes
  - Receive more funding and expand statewide. The demand appears to exist for homeowners to take advantage of this grant program and remediation reduces the risk for insurance carriers writing homeowner policies
- IT
  - Streamline the effort to remain in compliance with SCDIS-200 Version 2.0 Information Security and Privacy Standards. Agencies with small IT staff have a hard time trying to assign resources to remain compliant

# LEGAL, LEGISLATIVE & REGULATORY AFFAIRS

## About the Division

This Division provides a variety of legal and regulatory services to the business units of the Department of Insurance. The office also initiates enforcement or administrative disciplinary action against Department licensees who violate the insurance laws of this state and those entities engaging in unauthorized transaction of insurance business .

## Mission

The mission of the Legal, Legislative & Regulatory Affairs is to promote the integrity, efficiency, and effectiveness of the regulatory programs and operations of the Department and to provide high quality, timely and practical legal, regulatory and enforcement services to the Department. We work collaboratively with management to promote an organizational culture that encourages ethical conduct, compliance with the law and a commitment to advance the Department's mission.

## Values

Members of the Legal, Legislative and Regulatory Affairs are valued, and trusted regulators and legal advisors committed to achieving the agency's mission, goals, and objectives. We realize this vision by being engaged, insightful, proactive, and dedicated to the purpose, mission and vision of the South Carolina Department of Insurance.

Gwendolyn McGriff, Deputy Director, Legal, Legislative & Regulatory  
Affairs







# Practice Areas

## Office of General Counsel

Collaborates with business units to ensure compliant implementation of licensing and regulatory programs

Works with business units to ensure timely and complete analysis for legally appropriate release of information to the public

**Compliance, Investigation, Market Regulation and Enforcement**

**Information Law including Information Requests, Privacy and Information Security**

**Contracts and Procurement**

Works with business units to ensure contracts comply with South Carolina law

**Employment Law**

Advises business units on state and federal compliance requirements

### Mission

The mission of the State of South Carolina Department of Insurance (SCDOI) is to protect insurance consumers, the public interest, and the insurance marketplace by ensuring the solvency of insurers; by enforcing and implementing the insurance laws of this State; and by regulating the insurance industry in an efficient, courteous, responsive, fair, and equitable manner.

Advises employees and trains employees on the Ethics Law and Department policies and procedures

**Government Ethics**

**Solvency Regulation**

Advises business units on insurance regulatory requirements affecting the solvency of insurers and the accreditation of the Department

**The Department's mission is at the center of what we do.**



# Legal, Legislative, and Regulatory Services Strategic Plan

<b>Goal 1:</b>	Deliver quality, timely and practical legal, investigative and compliance services the promote integrity, efficiency and effectiveness in the Department's operations
	<ul style="list-style-type: none"><li>• Communicating timely and useful information and advice that facilitates the mission and goals of this agency</li><li>• Conducting independent and objective investigations of potential violations of the insurance laws of this state and instituting administrative disciplinary action when appropriate.</li><li>• Providing legal advice to ensure compliance with legal requirements and to reduce exposure to legal risks.</li><li>• To effectively and vigorously advocate for the Department's interests in state and federal tribunals.</li></ul>
<b>Goal 2:</b>	Plan effectively for the succession of the Office of Legal, Legislative and Regulatory Services
	<ul style="list-style-type: none"><li>• Hire and retain qualified attorneys, investigators, examiners, paralegals and other support staff</li><li>• Provide training/cross-training, staffing, equipment and technology to enable OGC staff to provide quality services to the SCDOI</li><li>• Use technology to maintain institutional knowledge</li></ul>
<b>Goal 3:</b>	Identify risks in SCDOI programs and operations and make legal recommendations to improve operations and mitigate risk.
	<ul style="list-style-type: none"><li>• Assist program areas with preventive legal advice</li><li>• Stay abreast and keep clients informed on emerging legal and regulatory trends</li><li>• Develop and conduct legal training for the various business units</li></ul>
<b>Goal 4:</b>	Serve as a resource for informed decision making and creative problem solving to facilitate the Department's mission.
	<ul style="list-style-type: none"><li>• Coordinating the provision of all legal services for the Department via internal and external counsel</li></ul>





# Enforcement Actions FY 23-24

The chart below is an illustration and may not reflect all enforcement activity

Total Allegations Received	353
No Action	124
Investigation Files Opened	228
Investigation Files Closed	221
Administrative Fines	\$18,000
License Suspensions	0
License Surrenders	11
License Probation	0
Warning Letters	30
License Revocations	28
Insurance Fraud Referrals	3
Cease and Desist Letters	0
Disciplinary Orders Drafted	90

In addition to the foregoing, staff represented the Department in 5 enforcement proceedings in the Administrative Law Court. More than \$2 Million was remitted to the South Carolina General Fund during the fiscal year based on receivership litigation.



# Service of Process

- Under South Carolina law, the Director is the lawful attorney for service of process. This means that every lawsuit against an insurance company is served upon the Department, and the Department forwards it to the appropriate address for the insurer. During the past fiscal year, staff processed 4,859 SOP requests compared to 4,668 SOP requests in FY2023 and 4,864 SOP requests in FY2022. The charts below shows a breakdown of the previous fiscal years:

Fiscal Year	Total SOPs	SOP Returns
2023-2024	4859	929
2022-2023	4668	989
2021	4864	1130

Number of Dedicated Staff: 2 employees (part-time)





# Public Information and Other Information Requests

Staff also processes FOIA and other information requests in accordance with South Carolina law

Fiscal Year	Number Processed
2024-2025	35 (as of March 2025)
2023-2024	62
2022-2023	77
2021-2022	68

Number of Dedicated Staff: 2 employees (part-time)



# Market Regulation and Compliance

Market regulation refers to regulatory oversight that primarily focuses on regulated entities' compliance with insurance laws and regulations other than those related to financial solvency. Market regulation complements financial solvency regulation. For example, problems spotted during a market conduct review may be a precursor to financial solvency concerns or vice versa. Market regulation also evaluates companies' fulfillment of contractual obligations to their policyholders and claimants. Staff members (2 employees) perform a combination of in-house reviews and on-site, targeted examinations of company submissions, records and operations to fulfill these responsibilities. Multi-state examinations through the National Association of Insurance Commissioners (NAIC).

Market regulation highlights include:

- Completing 16 Level 1 Checklists based on the MAPT Report;
- Participating in 3 market conduct examinations in which SC was the lead state
- Completing 25 market regulation complaint reviews
- Reviewing form, rule and rate filings in SERFF for compliance with S.C. law.
- Conducting training for staff on various lines of insurance.





# LEGISLATIVE AND REGULATORY POLICY

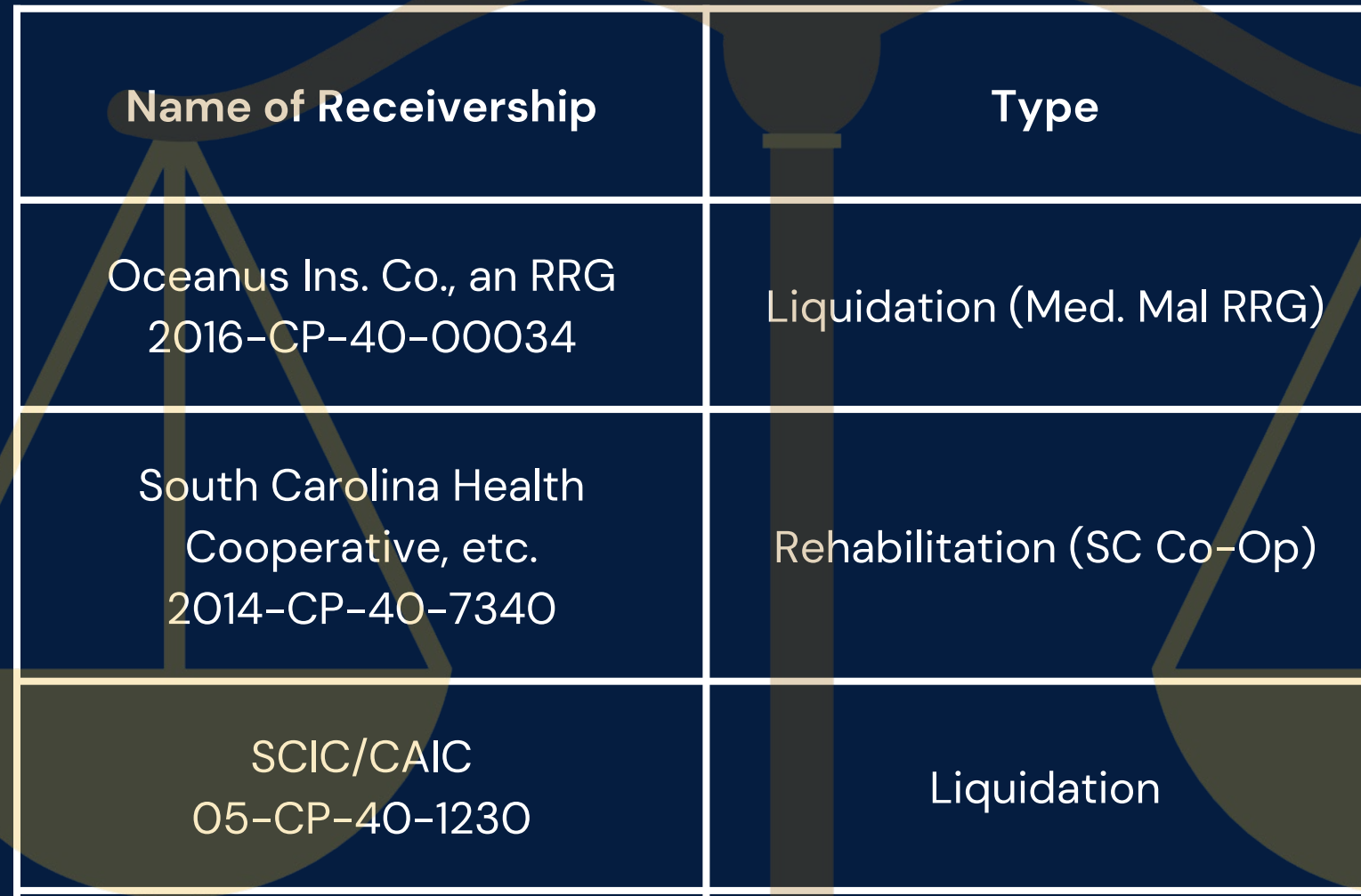
Associate General Counsel for Legislative and Regulatory policy assists the Department by reviewing agency policy and statutes to promote insurance regulatory policy established by the South Carolina General Assembly. Counsel researches, drafts and tracks legislation relating to insurance regulation and presents written and oral testimony to legislative committees as needed. This position tracks legislation on the state and federal level that affects the Department. Examples of work performed by counsel include but are not limited the following:

- Counsel assisted with the drafting and implementation of various orders implementing Act No. 83 of 2023 (R-98, H. 3532) (“Bond Reform Act”) including the drafting of forms and updating of processes related to the Act’s implementation. OGC staff continues to work with Department staff and other stakeholders on enforcement issues and outreach related to the commercial bail bond industry.
- Implementation issues related to the implementation of the PBM and PSAO legislation. The OGC drafted, reviewed or assisted with:
  - Bulletin 2024-03: External Review Procedures for PBMs.
  - Implementation issues related to S.C. Act No. 166 of 2024 and S.C. Code Ann. Regs. 69-78, see SCDOI Bulletin Number 2024-05.
  - State Contract Amendments and other procurement issues.
  - Examination guidelines and procedures.
- Review and summary of certain legislation affecting the Department or insurance regulation including fiscal impact statements.



# Litigation

OGC staff handles or manages most litigation defense involving the South Carolina Department of Insurance. Most litigation involves insurance company receiverships. Pending receivership litigation includes, but is not limited to:



Name of Receivership	Type
Oceanus Ins. Co., an RRG 2016-CP-40-00034	Liquidation (Med. Mal RRG)
South Carolina Health Cooperative, etc. 2014-CP-40-7340	Rehabilitation (SC Co-Op)
SCIC/CAIC 05-CP-40-1230	Liquidation
Transportation Insurance Services RRG	Liquidation (Comm. Trucking RRG)
Senior Health Insurance Company of Pennsylvania	Rehabilitation in State of Domicile (PA); DJ action in SC state court





# INSURANCE DATA SECURITY ACT

## Chapter 99

In 2019, SC was the first state to pass the NAIC model on Insurance Data Security, codified in Chapter 99 of Title 38.

---

### Purpose and Requirements

The purpose of this act is to establish standards for data security and standards for the investigation of and notification to the director of a cybersecurity event applicable to licensees. It requires licensees to certify to the department their compliance with the act and to establish appropriate protocols and procedures to protect private information. Licensees must notify the department of a cybersecurity event, and the Department investigates the handling of these events to ensure the company is in compliance with the law and is effectively protecting South Carolina consumers.





## Challenges and Opportunities

- Attracting, recruiting and retaining qualified employees committed to the Department's mission and public service
- Increasing office efficiency by effectively leveraging technology to preserve institutional knowledge
- Understanding the generational differences in the workplace to promote the success of the agency
- Training a workforce that can think beyond the checklist or the technology



# FINANCIAL REGULATION & SOLVENCY

The Financial Regulation & Solvency division licenses all insurers doing business in SC and ensures that domestic insurers remain solvent.

It must occasionally place restrictions on companies prior to licensing them and monitors these companies' compliance.

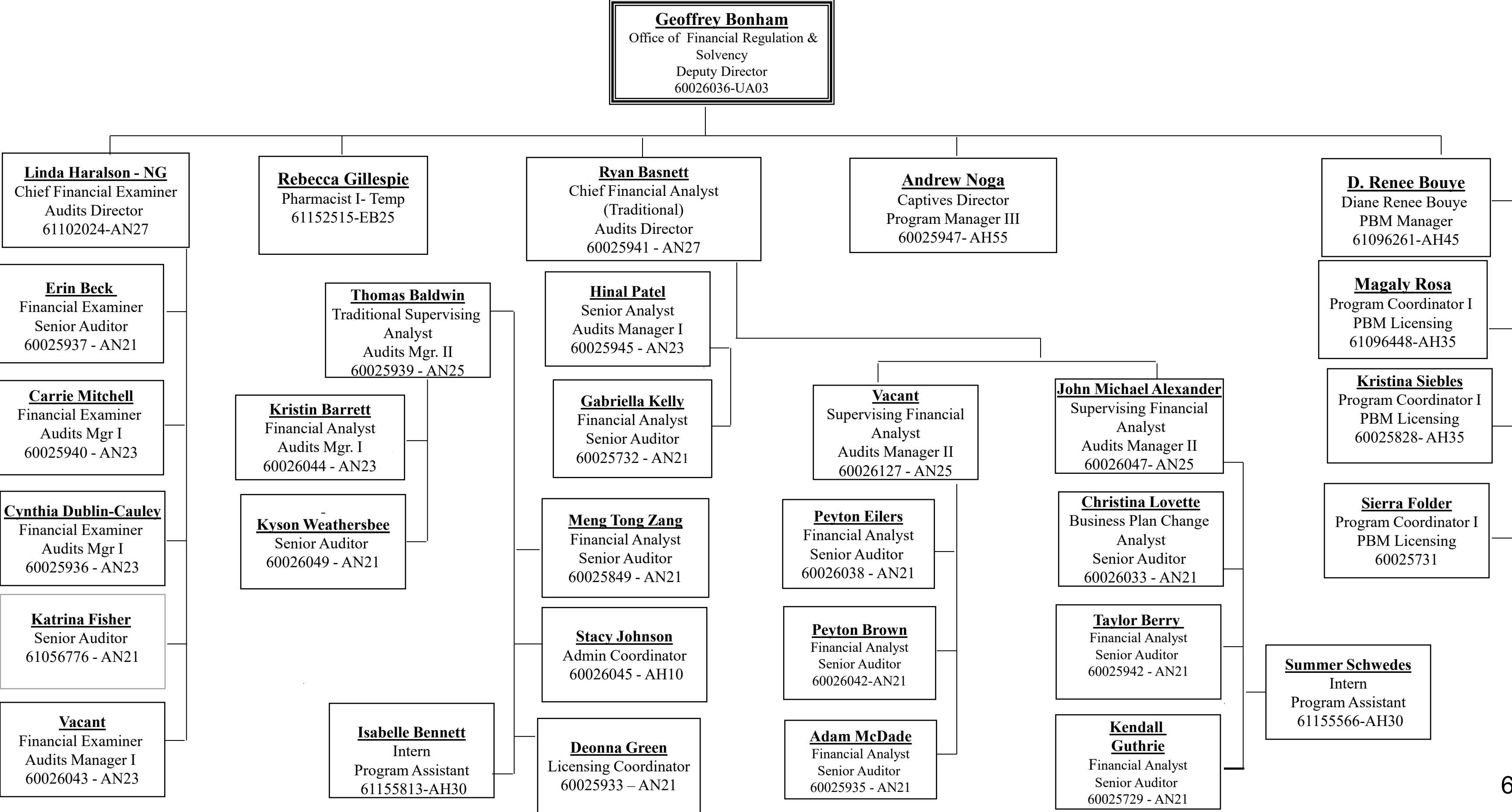
The division continually reviews the financial condition of all domestic insurers and conducts detailed financial examinations of companies every five years or as otherwise required by law. When necessary, the division makes recommendations to the Director regarding appropriate administrative and regulatory action in accordance with the SC Code of Laws.

A key function of this division is the promotion of the captive insurance industry in South Carolina.

The Office of PBM Oversight and Specialty Licensing also falls under this division.

Geoffrey R. Bonham, Deputy Director, Financial Regulation & Solvency

South Carolina Department of Insurance  
Division of Financial Regulation & Solvency



The Division of Financial Regulation and Solvency oversees many key areas of responsibility for the Department.

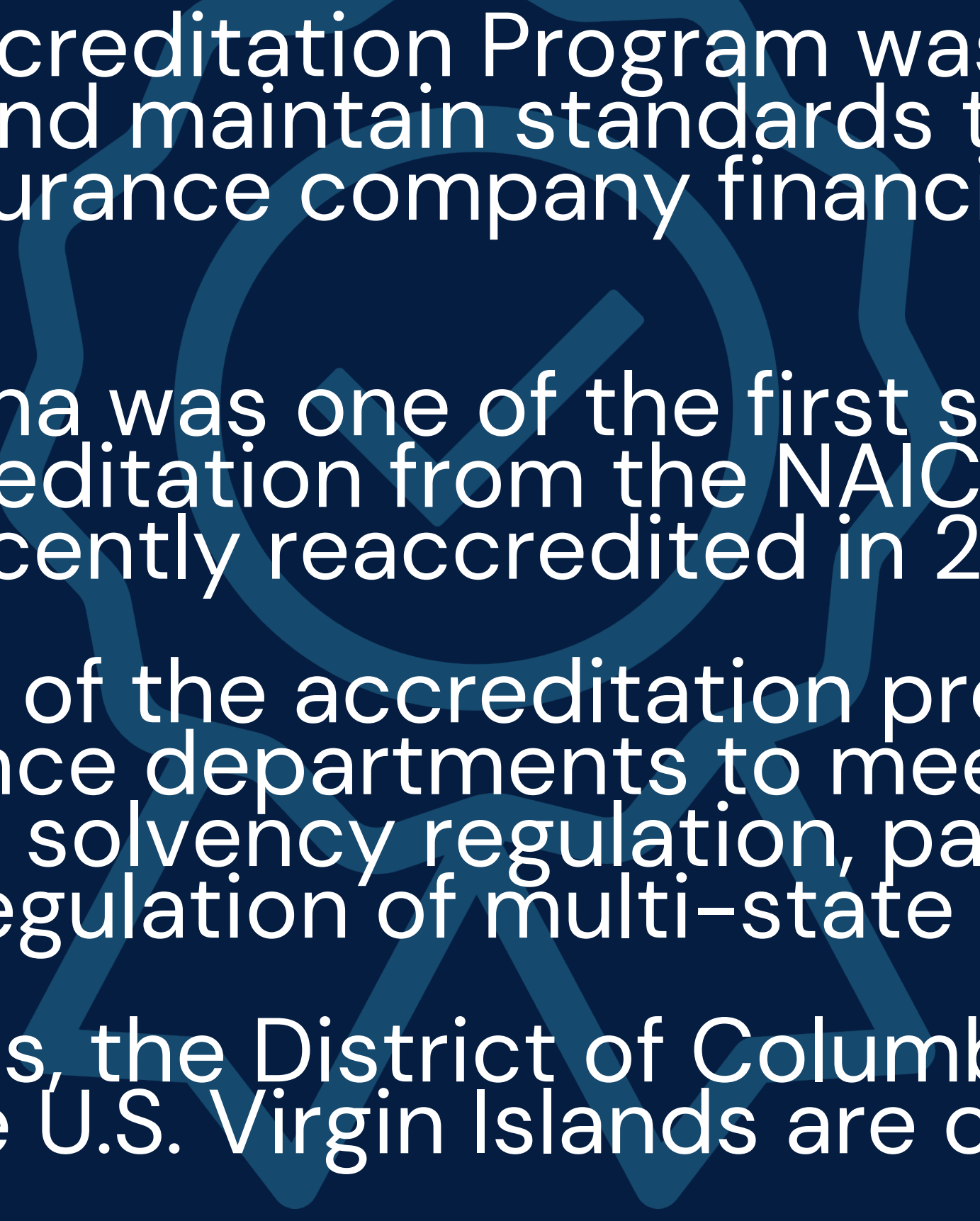
- 01** Regulates the financial solvency of our domestic industry
- 02** Maintains our accreditation by the National Association of Insurance Commissioners
- 03** Licenses and monitors non-domestic companies writing business in South Carolina
- 04** Implements new regulatory standards in response to legislative changes
- 05** Responds to systemic financial crises impacting insurers that are members of a holding company system
- 06** Grows the domestic captive insurance industry in SC





# The NAIC

- The National Association of Insurance Commissioners is the US standard setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia, and five U.S. territories.
- The organization was created in 1871 to assist state insurance regulators, individually and collectively, in serving the public interest by setting standards and regulatory best practices, acting as a forum to exchange information, providing regulatory support functions, and educating consumers, industry and other government stakeholders about the U.S. system of state -based insurance regulation.
- The NAIC requires states to adopt model laws and regulations in order to maintain their accreditation with the organization. This ensures uniform standards of certain matters across state lines.

- 
- The NAIC Accreditation Program was established to develop and maintain standards to promote effective insurance company financial solvency regulation.
  - South Carolina was one of the first states to receive accreditation from the NAIC in 1991 and was most recently reaccredited in 2021.
  - The purpose of the accreditation program is for state insurance departments to meet baseline standards of solvency regulation, particularly with respect to regulation of multi-state insurers.
  - All fifty states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands are currently accredited.

- 
- For a state to remain accredited, an accreditation review must be performed at least once every five years with interim annual reviews.
  - The SCDOI completed its last full review in November of 2021 and was reaccredited for another five years.
  - This review entailed a full external review of laws and regulations, the financial analysis and financial examination functions, department oversight, organizational and personnel practices, primary licensing, redomestications, and change of control of domestic insurers to assist in determining our compliance with the accreditation standards.



# REGULATORY ACTIONS

**Administrative  
Supervision**

**Rehabilitation**

**Liquidation**



South Carolina is also recognized as a leading onshore domicile for captive insurance companies. Another key challenge for this division involves growing the captive industry while maintaining our stellar reputation as a domicile of choice for operating companies that conduct business on a national or global scale, and ensuring these entities are appropriately regulated for solvency. We routinely exhibit at industry conferences, partner with service providers based in South Carolina to license new companies, work to remain competitive with other states, and offer significant value to captive owners so that they continue to make a material economic impact in this State.

## CAPTIVES





A hand holding a tablet in front of a pharmacy shelf. The shelf is filled with various colorful boxes of medicine, including yellow, blue, and white ones. The background is slightly blurred, focusing on the hand and the tablet.

# PHARMACY BENEFIT MANAGERS AND PHARMACY SERVICES ADMINISTRATIVE ORGANIZATIONS

In 2023, the SC Legislature passed legislation that gave the SCDOI authority to license and regulate PBMs.

In 2024, the Legislature gave the Department the authority to license and regulate Pharmacy Services Administrative Organizations (PSAOs).

The Department is conducting regular examinations of the books and records of PSAOs for compliance with applicable law. PSAOs are required to pay the cost of examination, which occur at least every five (5) years. Information or data acquired during an examination pursuant to S.C. Code Ann. 38 -71-2340 is proprietary and confidential and is not subject to disclosure under FOIA.

The Department currently employs one PBM manager, three program coordinators, and a pharmacist to assist in the licensure, regulation, and examination of these entities. We have recently begun the process of examining these entities to ensure their compliance with our laws.

# Challenges/Successes/Opportunities

## Maintaining an Experienced and Well -Trained Staff

- Retirement – generational change as “Baby Boomers” (1945 –1964) continue to leave workforce, others reach retirement age, others reach years of service requirement for SRS
- Competition from Private Sector – salary competition, recruitment and retention
- Knowledge transfer
- Growing as a team
- Training

## Private Equity

- PE firms/holding companies acquiring life insurers in large numbers
- Annuities
- Large amounts of capital
- Offshoring, riskier investments, investment management fees



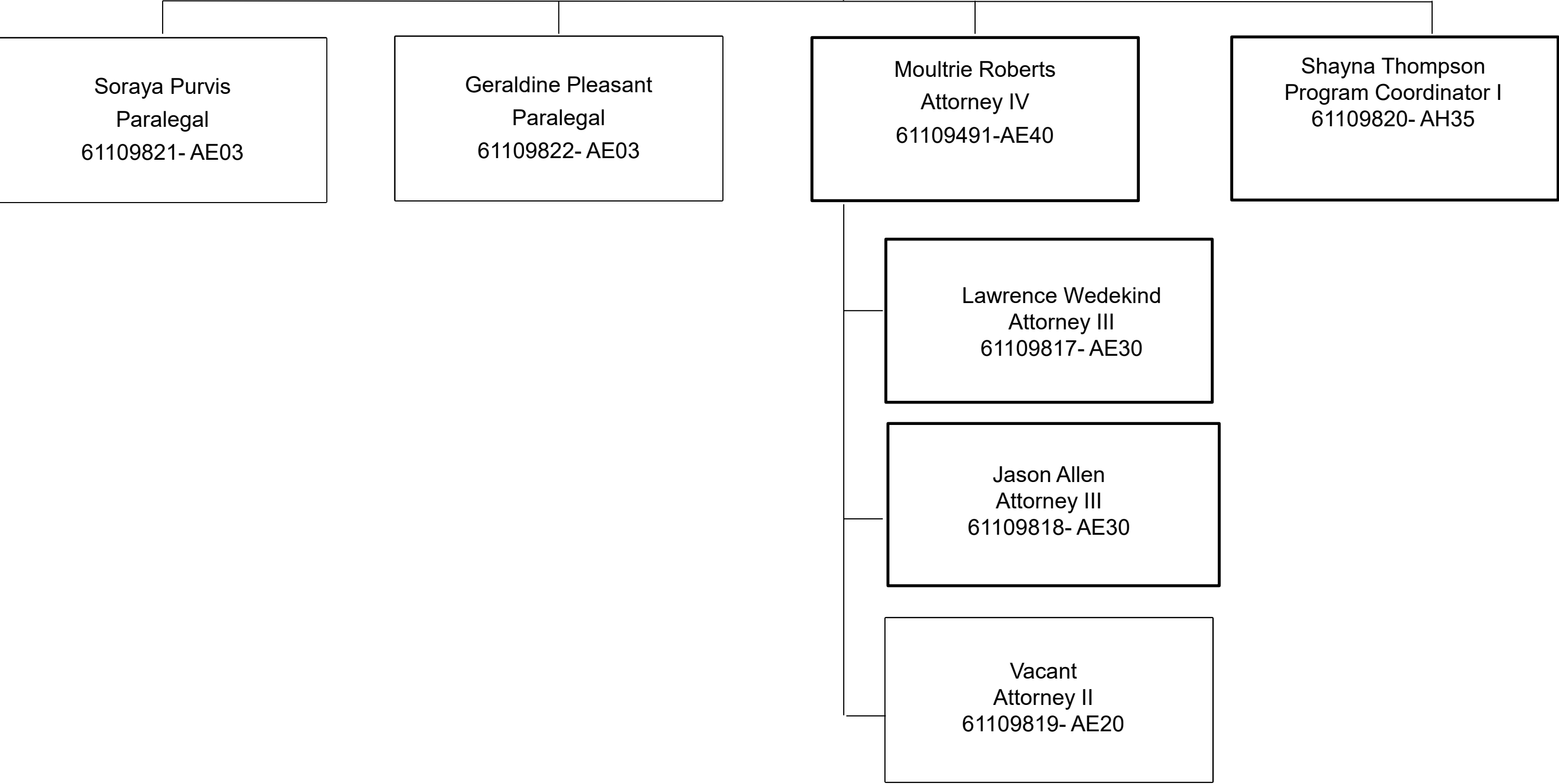
# FRAUD DIVISION

The Insurance Fraud Division works to raise consumer awareness of the various forms of insurance fraud and investigates and prosecutes perpetrators of insurance fraud in South Carolina.

Joshua R. Underwood, Special Assistant Attorney General  
Director, Insurance Fraud Division

**Fraud Division**

Joshua Underwood  
Fraud Division Director  
Attorney V  
61109490- AE50

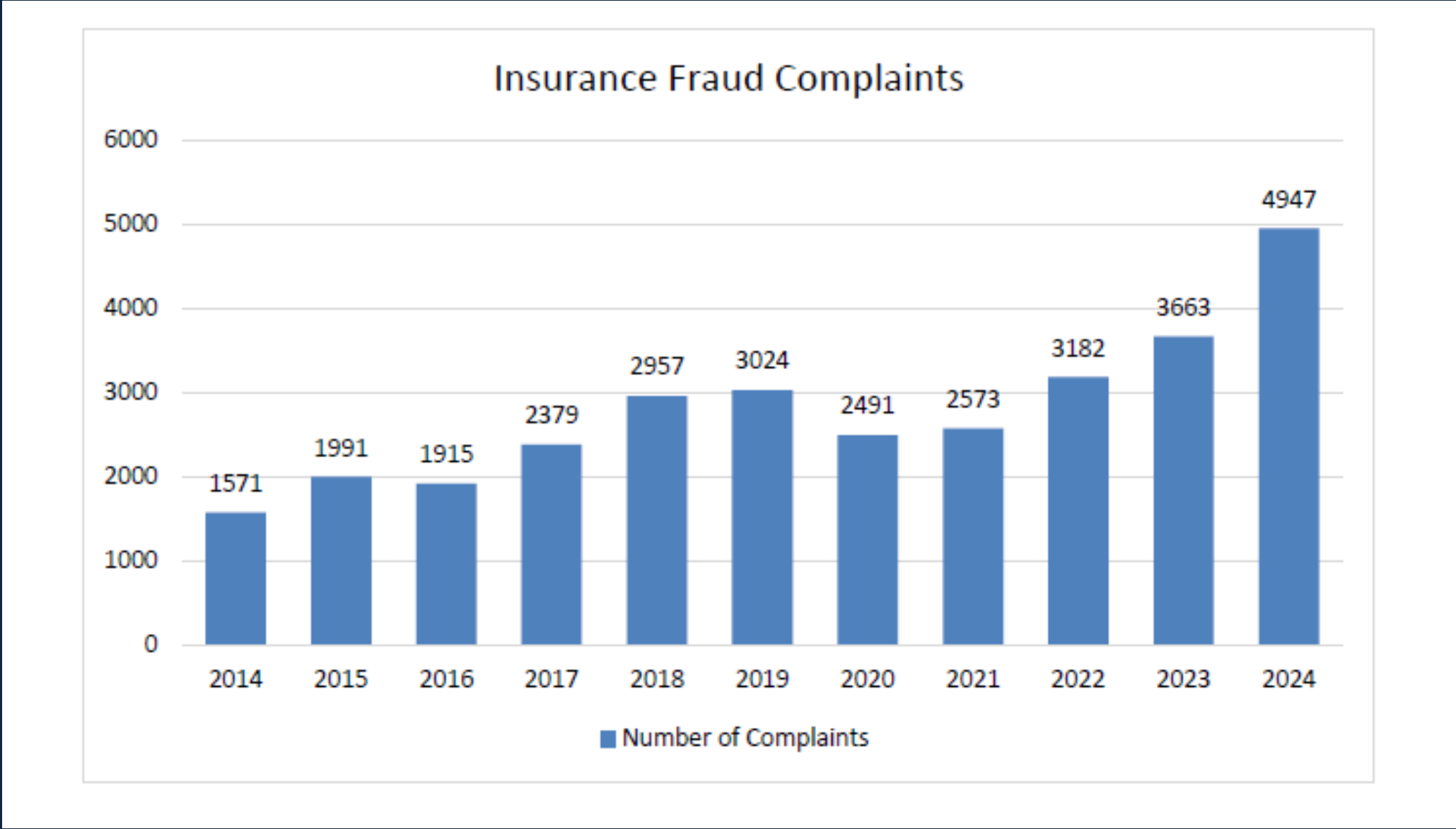




# History of the Insurance Fraud Division

- The Insurance Fraud Division was first created by the Legislature in 1994 with the passage of the Omnibus Insurance Fraud and Reporting Immunity Act.
- This Act created the Division within the Office of the Attorney General to prosecute insurance fraud throughout the State. The Act further required the South Carolina Law Enforcement Division (SLED) to investigate allegations of insurance fraud.
- In 2021, the Office of the Attorney General, SLED, and the Department of Insurance executed a Memorandum of Understanding to relocate the Insurance Fraud Division to the Department of Insurance.
- Pursuant to this agreement, the Attorney General appoints certain attorneys, hired by the Department of Insurance, as Special Assistant Attorneys General to prosecute insurance fraud related crimes under the general supervision and control of the Attorney General.
- SLED continues to investigate insurance fraud as a partner with the Insurance Fraud Division. The Department of Insurance employs and houses the staff of the Insurance Fraud Division.
- The Department of Insurance also provides office space and equipment for SLED's insurance fraud investigators and their supervising lieutenant to facilitate the partnership between the investigators and the prosecutors.

In 2023, the Insurance Fraud Division received a record high of 3,663 complaints. 2024 marks the third consecutive record-breaking year with 4,947 complaints received.



## Status of Cases – 2024

### Complaints Received

	2023	2024
Complaints received	3,663	4,947
Complaints referred to SLED for investigation	184	250
Complaints resolved by consent agreement (MOU)	9	45
Complaints referred to other agencies	99	67
Complaints declined for prosecution (includes complaints from prior years)	3,321	3,944
Complaints Related to Healthcare Market Place Unauthorized Transfers*	n/a	1,107
Complaints pending at end of year	1,673	1,207





### Insurance Fraud Division Case Files

	2023	2024
Arrests by SLED in 2024	43	71
Arrests by Other Law Enforcement Agencies	2	5
Defendants Resolved by MOU	9	1
Defendants Convicted in General Sessions Court	11	34
Defendants Convicted in Magistrate/Municipal Court	n/a	1
Cases Dismissed by Prosecutor	2	3
Total Cases Closed	22	39
Cases Pending as of December 31 <sup>st</sup>	76	113



### Civil and Criminal Fines Ordered and/or Collected

Source of Fines	2023 Amount	2024 Amount
Civil Fines Collected by Consent (MOU)	\$6,250	\$40,700
Civil Fines Collected Pursuant to Court Order	\$6,000	\$18,000
<b>Total Civil Fines Collected</b>	<b>\$12,250</b>	<b>\$60,700</b>
<b>Total Court Ordered Criminal Fines</b>	<b>\$5,250</b>	<b>\$2,000</b>
<b>Total Civil &amp; Criminal Fines</b>	<b>\$17,500</b>	<b>\$62,700</b>

### Restitution Ordered or Collected

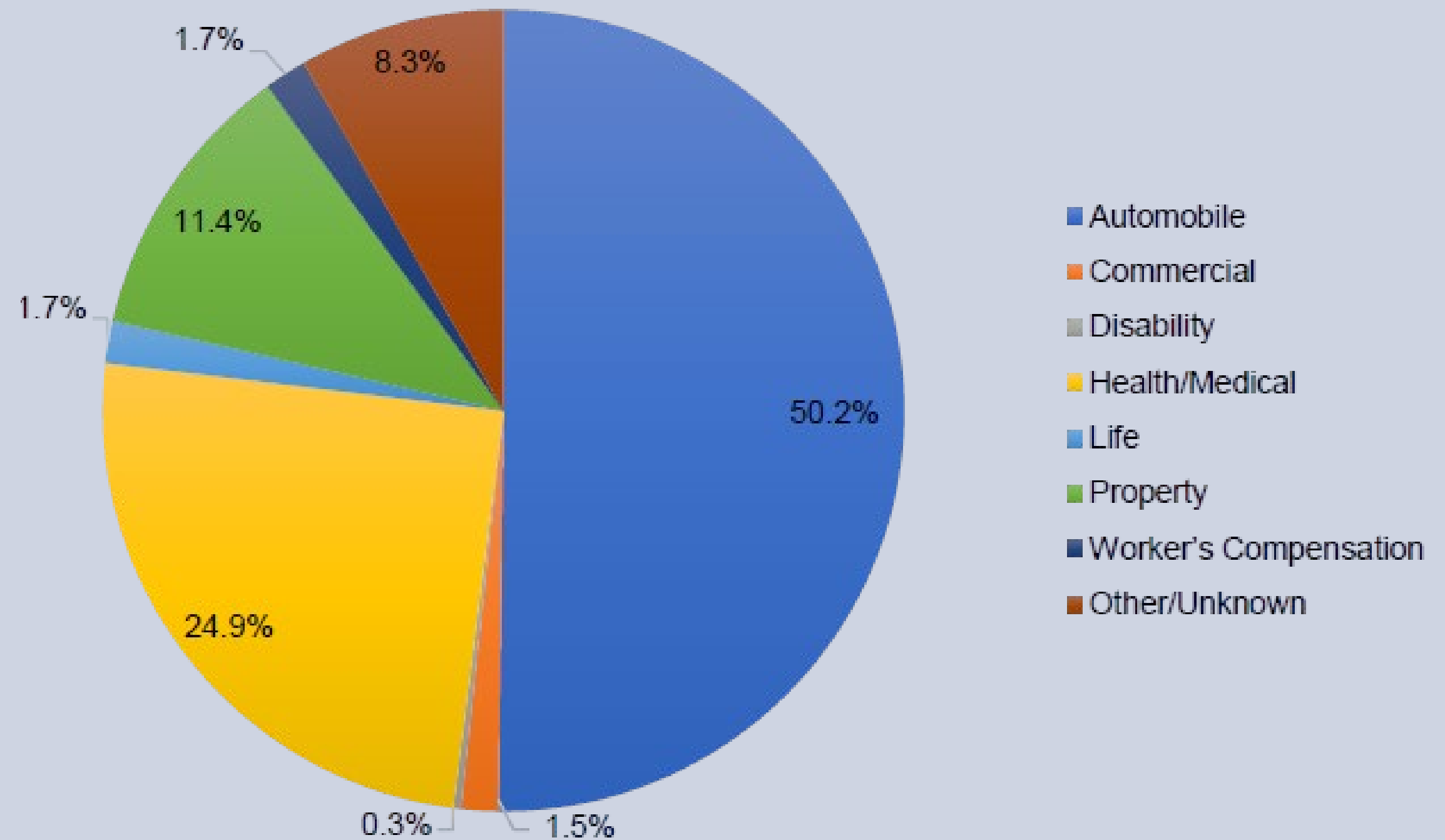
Restitution	Amount	Amount
Restitution Ordered by Court	\$82,500.00	\$1,025,964.92
Restitution Paid Outside of Court	\$78,344.16	\$32,477.40
<b>Total Restitution</b>	<b>\$160,844.16</b>	<b>\$1,058,442.32</b>





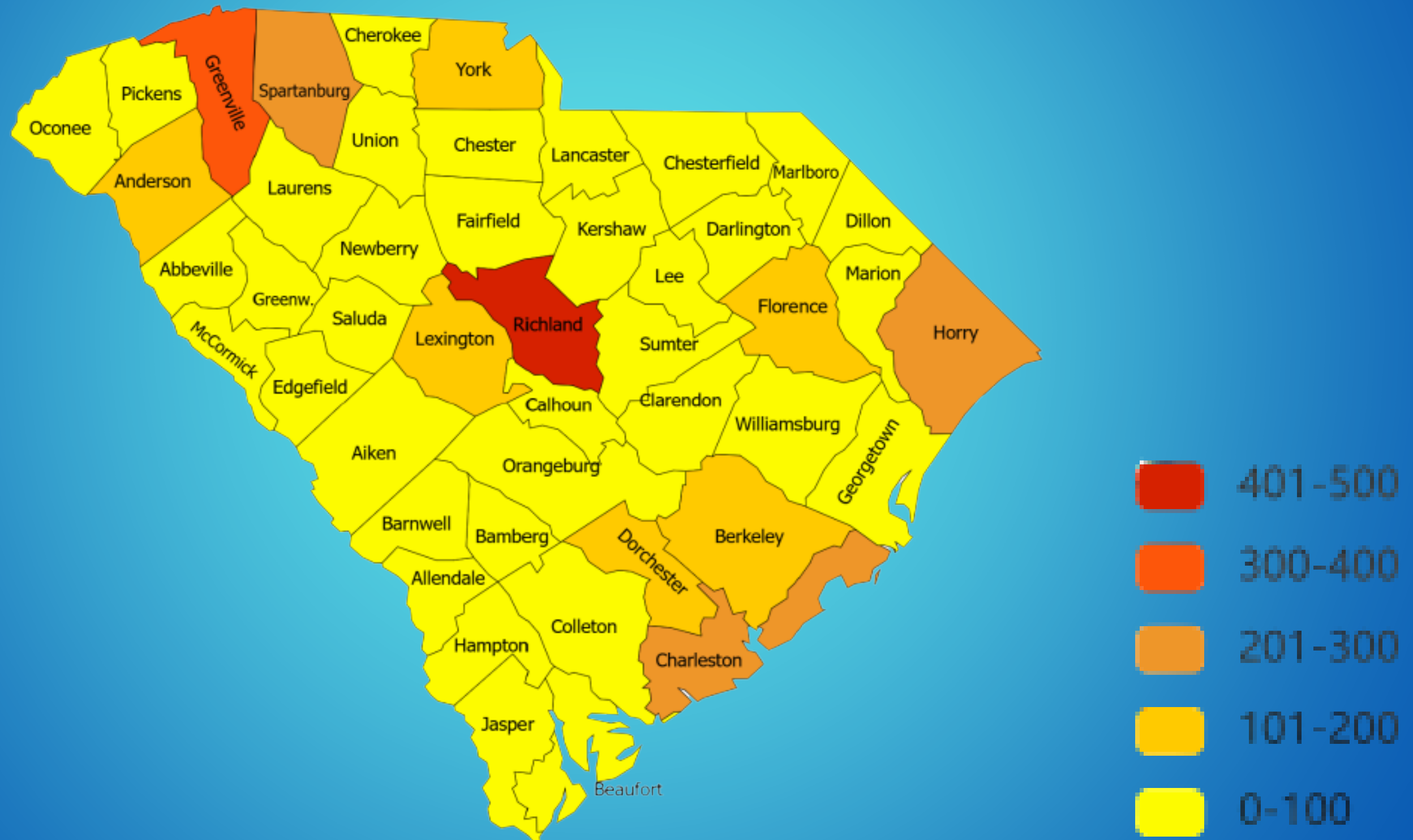
## 2024 COMPLAINTS RECEIVED BY TYPE OF FRAUD

The fraud complaints received during 2024 by the Insurance Fraud Division consisted of the following types of fraud:





# Complaints by C o u n t y



# CONSUMER & EXTERNAL AFFAIRS

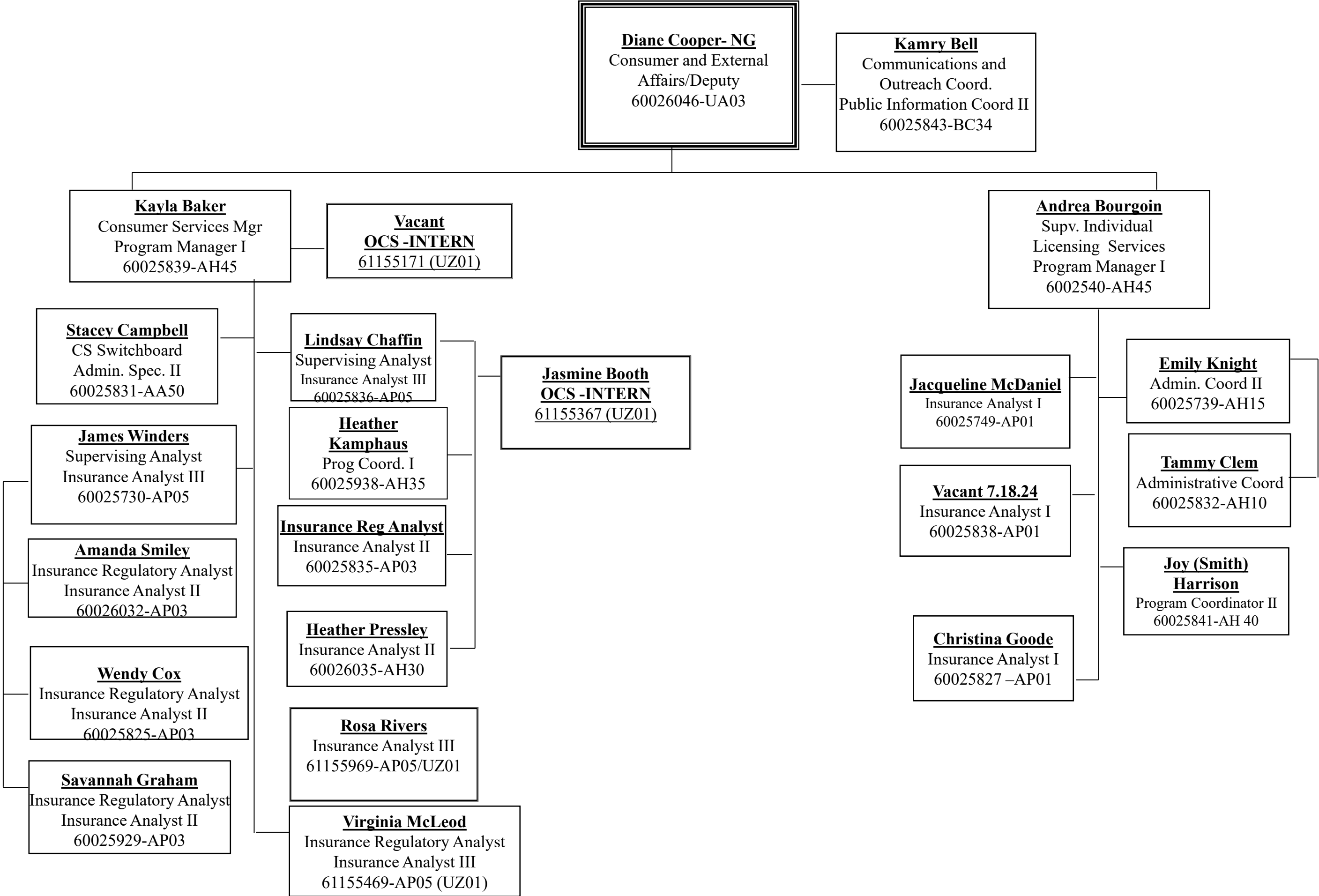
**The Office of Consumer Services (OCS)** provides assistance to consumers on a wide range of insurance claim and policy issues. The office responds to inquiries, market assistance requests, and consumer complaints. Members of the OCS team travel around the state participating in educational and hurricane preparedness events.

**The Office of Individual Licensing** oversees the licensure of individuals and agencies conducting the business of insurance in South Carolina. They process applications, monitor CE requirements for agents, manage producer appointment renewals, process 1033 waiver applications, and manage the licensure of bondsmen.

**The Public Information Office** is responsible for disseminating information to the public using various mediums. The office responds to media inquiries and ensures that information is shared between different divisions.

Diane Cooper, Deputy Director, Consumer & External Affairs

South Carolina Department of Insurance  
Division of Consumer and External Affairs





# CONSUMER SERVICES

The Office of Consumer Services (OCS) provides assistance to consumers on a wide range of insurance claim and policy issues. The Consumer Services staff responds to consumer needs relating to auto, health, homeowners, and life insurance; provides consumers with market assistance by helping to identify hard-to-place insurance coverage within the insurance market; and assists consumers following a catastrophic event.



# Consumer Assistance

Each day, we assist consumers that write, call, or visit our office.

We help consumers with coverage questions, claim disputes, and requests for market assistance.

Many consumer concerns are resolved without filing a formal complaint.

Yearly Totals	
2022	9224
2023	11087
2024	13022



# Consumer Complaint Process

One of the primary missions of the South Carolina Department of Insurance is to serve and protect insurance consumers. To fulfill that mission, the South Carolina Department of Insurance provides the valuable service of working with consumers and insurers to address consumer complaints. Complaints provide a great deal of information about the industry, individual insurers, and real-time consumer concerns, including emerging issues in the marketplace. The complaints received by the Department are analyzed, recorded, and tracked.

Year	Total Complaints	Amount Recovered
2022	2791	\$ 9,995,929
2023	3578	\$12,007,792
2024	3467	\$ 8,313,818





Complaint Form



South Carolina Department of Insurance  
Office of Consumer Services  
Street Address: 1201 Main Street, Suite 1000, Columbia SC 29201  
Mailing Address: P.O. Box 100105, Columbia, S.C. 29202-3105  
Telephone: (803) 737-6180 or 1 (800) 768-3467  
Fax: (803) 737-6231 | Email: consumers@doi.sc.gov

DOI use only

File#

Analyst

Consumer Complaint Form

My complaint is against (one or more): ☐ Insurance Company ☐ Agent/Broker ☐ Other

Please complete all information and enclose copies of correspondence and other papers that will help us investigate your complaint. Sign and date on back side at the bottom. **Please Note:** a copy of this form and any enclosed information will be sent to the party you are complaining about.

Section 1. Info of Person Filing Complaint (Complainant)

☐ Mr. ☐ Ms. Name

Street/Mailing Address

City County State Zip

Phone: (Home) (Cell) (Work) Email

Section 2. Policyholder Info

Age ☐ 1-24 ☐ 25-49 ☐ 50-64 ☐ 65+

Policyholder's Name

Policy # Claim # Date of Loss

Name of the Insurance Company You are Complaining About

Name of Agent/Agency/Adjustor

If Group Health Policy: Name of Employer Group #

Section 3. Type of Policy (check one)

<input type="checkbox"/> Annuity	<input type="checkbox"/> Disability	<input type="checkbox"/> Life	<input type="checkbox"/> Warranty
<input type="checkbox"/> Personal Auto/ Motorcycle	<input type="checkbox"/> Individual Health	<input type="checkbox"/> Long Term Care	<input type="checkbox"/> Workers' Comp
<input type="checkbox"/> Commercial Auto	<input type="checkbox"/> Group Health	<input type="checkbox"/> Medicare Supplement	<input type="checkbox"/> Other
<input type="checkbox"/> Dental	<input type="checkbox"/> Homeowners/ Renters/ Mobile Homeowners	Specify plan A-L:	

# Notification Letter

Dear Sir or Madam:

A request for assistance has been filed by the above-named complainant, a copy of which is attached for your review. Your response to this Department should contain the following:

1. Completed Complaint Response Coversheet (see the following page).
2. Formal response letter on company letterhead suitable for sharing with the complainant. The letter should include the following:
  - Underwriting company name and NAIC number, License Number, or National Producer Number-NPN, if applicable.
  - Circumstances surrounding the complainant's allegation(s),
  - Company's position on the issues(s) raised in the complaint,
  - Steps taken to resolve the matter (including any payment amounts made or due), and
  - Corrective action taken (if no corrective action is necessary, explain why).
3. Documentation in support of your position (required documents are listed on the Complaint Response Coversheet).
4. Please provide an Agent, Adjuster, and/or an Appraiser's response, if applicable.
5. If the complaint involves an approved rate increase, please confirm the SERFF tracking number.

The above items should be combined into a single PDF and must be emailed directly to the undersigned with a copy to [consumers@doi.sc.gov](mailto:consumers@doi.sc.gov). The complaint number should be referenced in the subject line. If any documentation cannot be shared with the complainant, please attach it in a separate PDF labeled "confidential" and include an explanation as to why this information is not subject to release under the South Carolina Freedom of Information Act.

In accordance with the authority granted under S.C. Code of Laws Section 38-13-70, your response should be received at this Department **on or before March 4, 2025.**

# Complaint Checklist

COMPLAINT CATEGORY (select one)			
( ) UNDERWRITING	( ) MARKETING & SALES	( ) CLAIM HANDLING	( ) POLICYHOLDER SERVICES
<input type="checkbox"/> Formal response letter	<input type="checkbox"/> Formal response letter	<input type="checkbox"/> Formal response letter	<input type="checkbox"/> Formal response letter
<input type="checkbox"/> Copy of notice of cancellation or nonrenewal	<input type="checkbox"/> Signed, dated agent statement on agency letterhead	<input type="checkbox"/> Timeline of claim handling	<input type="checkbox"/> Copies of billing notices
<input type="checkbox"/> Proof of mailing	<input type="checkbox"/> Copy of signed application	<input type="checkbox"/> Certified copy of policy (if denial or payment based on policy language)	<input type="checkbox"/> Premium payment/ transaction history
<input type="checkbox"/> Include the SERFF or SC State tracking number of approved rate increase in the formal response letter.	<input type="checkbox"/> Other	<input type="checkbox"/> Copies of estimates	<input type="checkbox"/> Other
<input type="checkbox"/> Other		<input type="checkbox"/> Evidence of payment	
		<input type="checkbox"/> Copy of engineer report if applicable	
		<input type="checkbox"/> Other	

Response Format Requirement

Complaint response must be emailed as a single PDF document containing the following in order:

- 1.) This coversheet (completed)
- 2.) Formal response letter
- 3.) Supporting documentation (if documentation cannot be shared with the complainant, attach it in a separate PDF labeled "confidential" and provide FOIA exemption per instructions on prior page)



# Consumer Complaint Summary

The Consumer Complaint Summary is an annual report that provides a list of companies with more than \$100,000 in written premium by line of business, the total number of complaints received by our Department, the number of confirmed complaints analyzed by our Department, the confirmed complaints as a percentage of total complaints, and the U.S. Market Share.

Group Code	Cocode	Company Name	Total Complaints	Confirmed Complaints	Confirmed Complaints as % of Total Complaints	U.S. Market Share	Premiums
176	25178	State Farm Mut Auto Ins Co	234	33	14%	21%	\$ 1,267,256,786
155	38628	Progressive Northern Ins Co	107	19	18%	10%	\$ 610,236,497
155	16322	Progressive Direct Ins Co	127	17	13%	9%	\$ 537,166,330
8	29688	Allstate Fire & Cas Ins Co	113	8	7%	7%	\$ 415,965,198
31	22063	Government Employees Ins Co	61	4	7%	6%	\$ 339,333,207
3548	36161	Travelers Prop Cas Ins Co	39	4	10%	3%	\$ 207,894,657
200	25941	United Serv Automobile Assn	35	5	14%	3%	\$ 203,547,858
176	25143	State Farm Fire & Cas Co	34	4	12%	3%	\$ 177,128,086
200	25968	USAA Cas Ins Co	45	9	20%	3%	\$ 171,948,243
200	18600	USAA Gen Ind Co	36	10	28%	3%	\$ 153,522,969
31	14137	GEICO Secure Ins Co	24	4	17%	2%	\$ 148,044,382
31	22055	Geico Ind Co	19	2	11%	2%	\$ 139,535,469
280	32700	Owners Ins Co	21	1	5%	2%	\$ 120,858,437
8	22772	Integon Ind Corp	71	9	13%	2%	\$ 110,803,445
200	21253	Garrison Prop & Cas Ins Co	19	5	26%	1%	\$ 85,295,253
111	24724	First Natl Ins Co Of Amer	23	2	9%	1%	\$ 81,614,028
8	19232	Allstate Ins Co	8	0	0%	1%	\$ 77,421,885
483	18325	Southern Farm Bureau Cas Ins Co	2	0	0%	1%	\$ 68,878,992
483	14114	South Carolina Farm Bureau Ins Co	9	2	22%	1%	\$ 59,156,775
140	23787	Nationwide Mut Ins Co	11	2	18%	1%	\$ 52,209,291

# Consumer Complaint Summary

Complaint Summaries can be found on our website: [doi.sc.gov](https://doi.sc.gov).

The following links provide the Complaint Summaries by type of coverage:

[Auto Insurance](#) | [Homeowner's Insurance](#) | [Title Insurance](#) | [Workers Comp Insurance](#)

[Group Accident & Health Insurance](#) | [Individual Accident & Health Insurance](#) | [Group Annuity Insurance](#)

[Individual Annuity Insurance](#) | [Group Life Insurance](#) | [Individual Life Insurance](#)

[Long-Term Care Insurance](#)

# Consumer Outreach

We believe that getting out into the communities we serve helps build a stronger and more resilient South Carolina.

We participate in many types of outreach opportunities: job fairs, school appearances, speaking engagements, hurricane expos and helping the community with recovery after a disaster strikes.





# Hurricane Preparedness

We protect South Carolina consumers by providing them with resources that enable them to be prepared before a disaster strikes.

We provide consumers with helpful resources through:

- Social Media
- SCDOI Website
- Collaborating with organizations like SCEMD and SC Department of Aging
- Attending Hurricane Expos throughout SC





# Insurance Education

The Department understands the importance of financial literacy.

We have begun initiatives to introduce the concept of insurance to elementary, middle, and high school students.

The Department also works with colleges and universities in South Carolina to provide insurance presentations to students and local community members.





# Hurricane Helene

Following Hurricane Helene's impact on the upstate of South Carolina, the Department helped set up insurance villages. The Department set up booths alongside insurance carriers to answer consumers' questions and distributed helpful information about the claims process.



In addition, the insurance fraud unit was available to educate the public about insurance scams they should look out for following a catastrophic event .





# LICENSING

## Licenses and Renewals

The Individual Licensing Office processes new and renewal applications, collects the associated fees, and assists licensees with questions and concerns.

---

## Continuing Education

Many of the licenses that the Department processes have a continuing education requirement. The Department approves these programs for accreditation and monitors its licensees to make sure this requirement is fulfilled.

---



# LICENSING

The Department licenses many entities in South Carolina both at the individual and company levels. -

This division licenses the following:

- Producers
- Brokers
- Agencies
- Adjusters
- Public Adjusters
- Portable Electronics
- Self-Service Storage and Rental Car Companies
- Appraisers
- Bondsmen



# Total Individual Licensees

As of 05/05/2025

License Class	Resident	Non-Resident	Total
Adjuster	4,218	149,953	154,171
Agency	0	0	0
Appraiser	735	4,814	5,549
Insurance Producer	40,985	292,710	333,695
Motor Vehicle Rental Companies	0	0	0
Portable Electronics	0	0	0
Professional Bondsman	67	0	67
Public Insurance Adjuster	65	775	840
Runner Bondsman	115	0	115
Self Service Storage Facilities	0	0	0
Surety Bondsman	376	0	376
Surplus Lines Broker	1,321	3,008	4,329
Totals:	47,882	451,260	499,142



# Transaction Counts April 2025

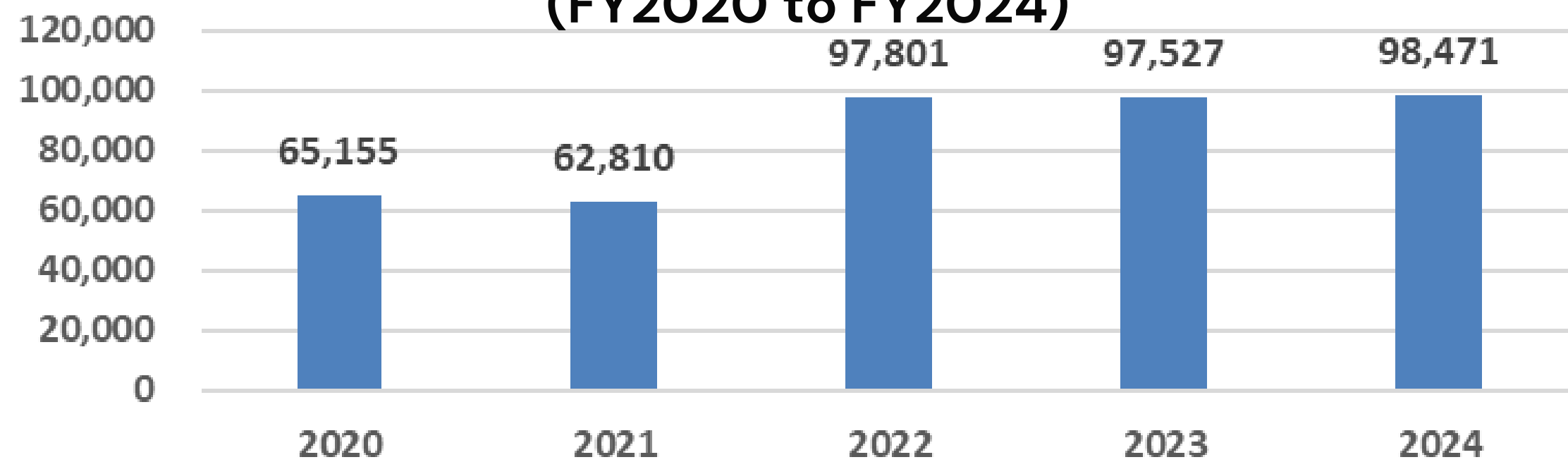
Total Transaction Count	Auto-Processed Percentage	Avg Days to Process
73,492	97.7%	3.63

License Type	
Insurance Producer	60,031
N/A (Contact/Demographic Ch..	10,659
Adjuster	1,750
N/A (Failed/Invalid Transaction)	379
Agency	349
Surety Bondsman	136
Appraiser	67
Surplus Lines Broker	55
Self Service Storage Facilities	24
Public Insurance Adjuster	16
Runner Bondsman	13
Professional Bondsman	9
Third Party Administrator	2
Service Contract Provider	2

Transaction Type	
Original Appointment	27,970
Appointment Termination	19,908
Contact Change Request	10,390
Original/Reinstatement License	8,505
License Renewal	6,380
Demographics Update	269
License Update	70

## New Individual Licenses Issued

(FY2020 to FY2024)



# Public Information

The SCDOI shares important information and news with the public using various platforms.

## SCDOI Website



### Quick Links:

- [Sign Up for News Flash](#)

## Social Media





# Challenges & Successes

## Staffing

- Hiring Salaries
- Competition From Other Divisions
- Professional Development
- Career Paths



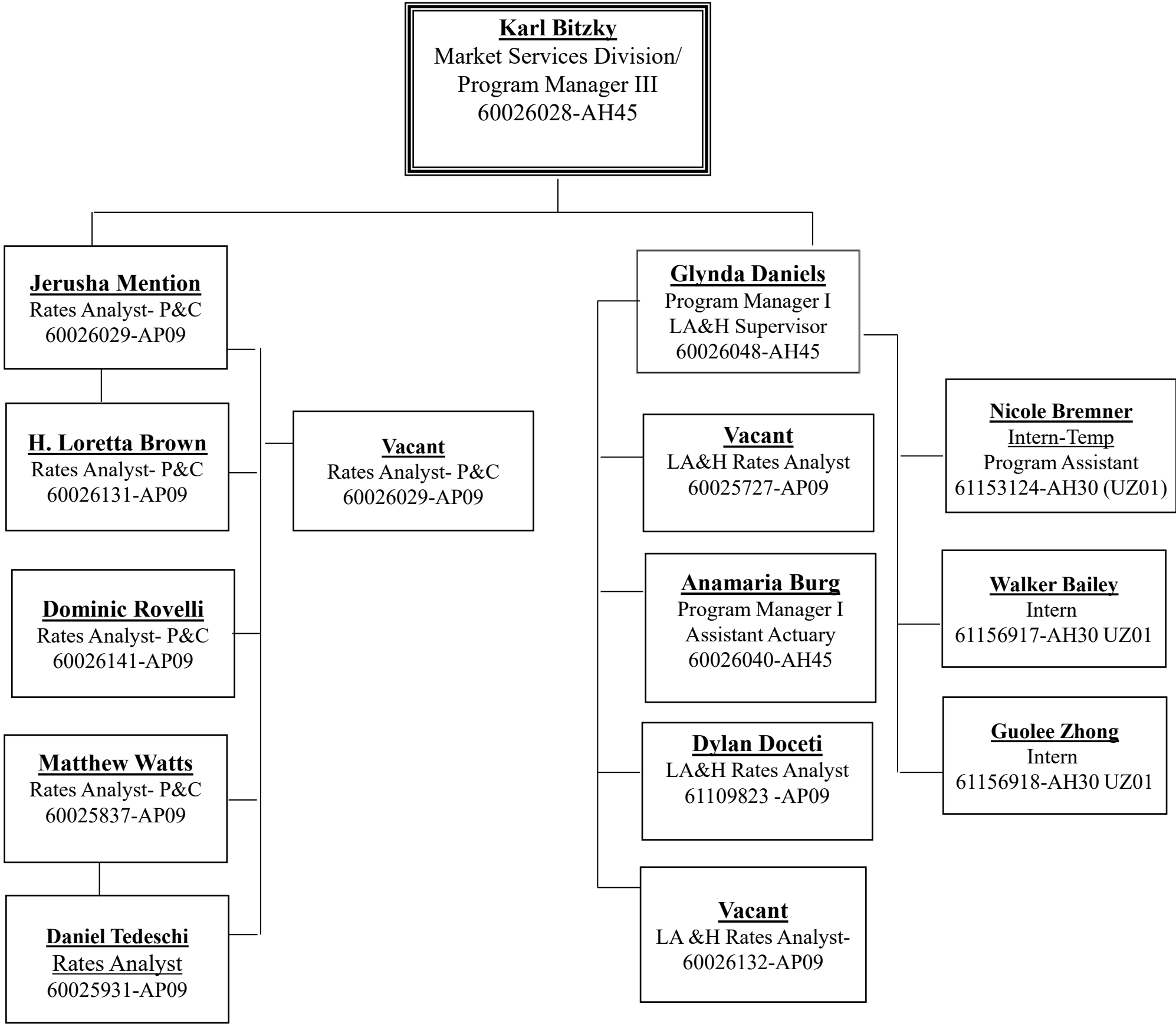
# ACTUARIAL & MARKET SERVICES DIVISION

This Division is responsible for reviewing policy form, rate, and rule filings from insurers that provide property, casualty, life, accident and health products.

This Division also provides actuarial analyses to all program areas, notably ratemaking and reserving.

Michael Wise, Director

South Carolina Department of Insurance  
Division of Market Services







# RATES AND FORMS

## Life, Accident & Health

The Life, Accident and Health Unit reviews and analyzes rates, rules, forms, and certifications for life, accident, and health insurance products including products offered by health maintenance organizations (HMOs).

In 2022, the Department withdrew from the Interstate Insurance Product Regulation Compact. The Department now conducts reviews in-house.

## Property & Casualty

The Property and Casualty Unit reviews and analyzes rates, rules, and forms for property and casualty insurance products such as automobile, workers' compensation, and homeowners insurance.

# Rate Review Standards

## File and Use

Insurers file rate changes with the Department and the changes take effect unless the DOI rejects them.

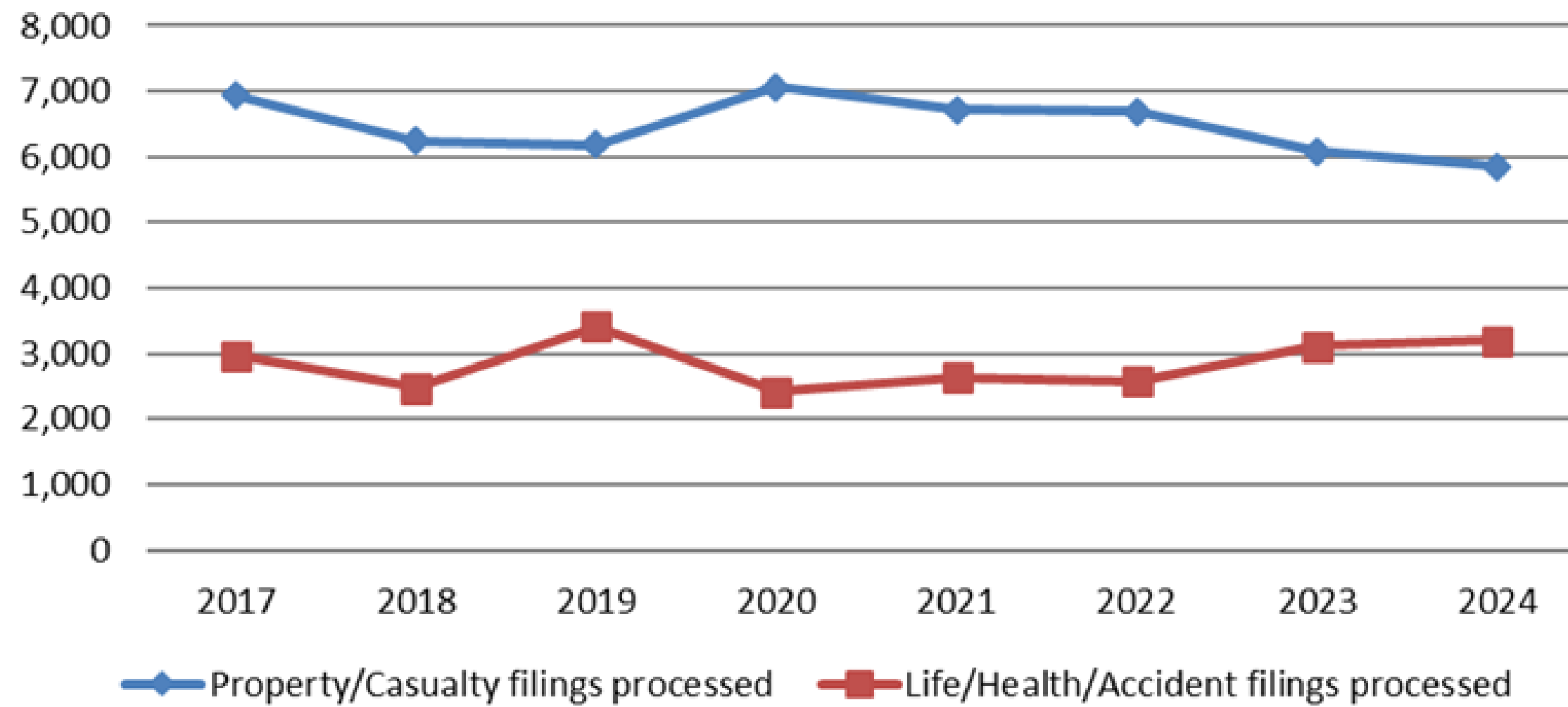
## Prior Approval

Insurers must obtain approval from the Department before implementing any rate changes.

## Exempt

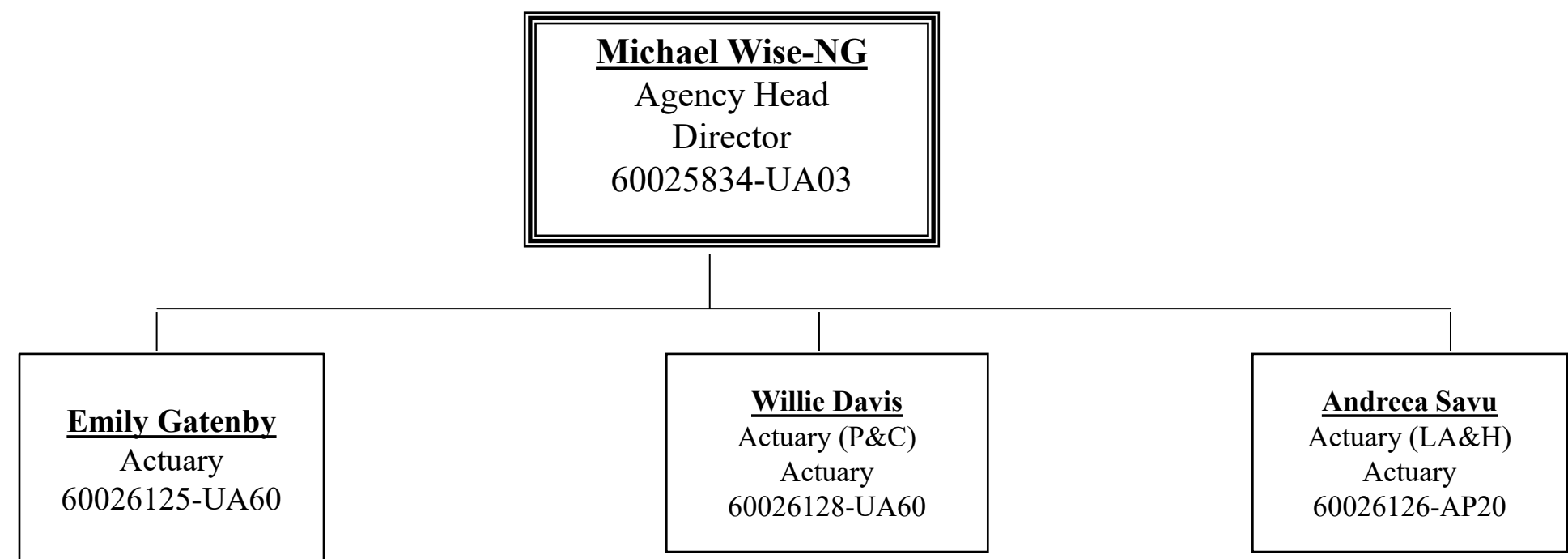
The statute doesn't require insurers to file their rates with the department.

## Market Services





South Carolina Department of Insurance  
Division of Actuarial Services



# ACTUARIAL SERVICES

## STATUTORY AND LEGISLATIVE REPORTS

The Actuarial team assists with the production of several annual reports including:

- Coastal Property Report
- Workers' Compensation Report
- Effects of Changes to Tort Law Report (Medical Malpractice)
- Family Leave Report
- Insurance Fraud Report

## ENSURING REGULATORY COMPLIANCE

The Actuarial team also works with different divisions of the department to assess risk, evaluate reserves, and review proposed rates to ensure they are adequate, not excessive, and not unfairly discriminatory.



# Challenges & Successes

- Recruitment and retention
- Advancements in technology and artificial intelligence
- Data collection challenges
- Increasing complexity of insurance rating structures







**South Carolina Department of  
Insurance**

**1201 Main Street, Suite 1000  
Columbia, South Carolina 29201**