

<b>AGENCY NAME:</b>	SC Department of Insurance		
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**2022**  
**Accountability Report**

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**SUBMISSION FORM**

I have reviewed and approved the data submitted by the agency in the following templates:

- Data Template
  - Reorganization and Compliance
  - FY2022 Strategic Plan Results
  - FY2023 Strategic Plan Development
  - Legal
  - Services
  - Partnerships
  - Report or Review
  - Budget
- Discussion Template
- Organizational Template

I have reviewed and approved the financial report summarizing the agency’s budget and actual expenditures, as entered by the agency into the South Carolina Enterprise Information System.

The information submitted is complete and accurate to the extent of my knowledge.

<b>AGENCY DIRECTOR</b> <i>(SIGN AND DATE):</i>	<b>SIGNATURE ON FILE</b>	<b>Signature Received:</b> 9/12/2022 13:05
<i>(TYPE/PRINT NAME):</i>	Michael Wise	

<b>BOARD/CMSN CHAIR</b> <i>(SIGN AND DATE):</i>	<b>N/A</b>	
<i>(TYPE/PRINT NAME):</i>		

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## AGENCY’S DISCUSSION AND ANALYSIS

### Key Strategic Challenges

Much of the work of the Department is influenced by changes in financial markets at the national and international level. Summarized below are the key challenges facing insurance regulation in South Carolina.

#### *Challenge: Increased Federal Involvement in Insurance Regulation*

The federal government’s role in insurance regulation is increasing. Examples of the heightened federal involvement in insurance regulatory activities include the enactment of the Patient Protection and Affordable Care Act (ACA) and proposals to repeal and replace it, the Wall Street Reform and Consumer Protection Act (commonly referred to as Dodd-Frank), which created the Federal Insurance Office (FIO) within the United States Department of Treasury. FIO continues have a significant impact on U.S. insurance markets and its regulation.

The Federal Insurance Office (FIO) was established by Title V of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank). The FIO is housed within the U.S. Department of the Treasury and is headed by a director who is appointed by the secretary of the Treasury. The office provides expertise on insurance matters to the Treasury Department and other federal agencies and engages in international discussions relating to insurance. The FIO’s current charges are: monitoring all aspects of the insurance industry except long term care and health insurance; monitoring the extent to which underserved communities have access to affordable insurance

The FIO also plays a role in authorizing the resolution of [troubled companies](#) that pose a risk to the financial stability of the United States. Accordingly, the FIO is tasked with assisting the secretary of the Treasury in negotiating [covered agreements](#). Covered agreements are international agreements that provides stand-by authority for the United States Department of the Treasury and the Office of the United States Trade Representatives to address situations where state insurance laws treat non-US insurers differently as it related to reinsurance collateral requirements. The United States was required to make revisions to credit for reinsurance statutes prior to September 1, 2022 or face potential federal preemption in this area by the Federal Insurance Office. South Carolina’s amendment to the credit for reinsurance statute were effective by the established deadline.

FIO monitors the risk to the financial system posed by insurance and other financial sectors. There is concern that recent insured losses may pose a risk for the health of the financial services industry. Through its market surveillance, the FIO is also authorized to receive and collect data and information on the insurance industry and can enter into information sharing agreements with state regulators. The FIO submitted requests for information on climate-related financial risks and the insurance. Mitigation and availability of insurance are included in the topics address by the request. The Federal Insurance Office (“FIO”) sent emails to insurance regulators in all 50 states asking if they gathered data regarding insurance coverage, losses and liabilities for every zip code in their state for the past five years. While the emails did not request the data, states were expected to indicate if they are able to provide such data in the future. The FIO plans to analyze the risk that insurers face from potentially paying a rising number of claims in disaster-prone areas. The data each state provides would identify the impact of climate change on protection gaps and insurance availability, particularly in at-risk markets.

The House Financial Services and General Government Fiscal Year 2023 appropriations bill contained several FIO directives including a report on the effect of wildfire risk on the insurance sector and how to ensure the availability and affordability of property insurance. Property damage exclusions is a focus of the investigative directives from

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Congress. There is concern from some industry groups that these “investigations” are an attempt to expand the authority of the FIO to the detriment of the state based regulatory system.

The FIO also published a Request for Information on May 27, 2021 seeking public comment on non-driving related factors in personal auto insurance underwriting and pricing such as the use of credit scoring and is analyzing data from 19 submissions. This request appears to be aimed at assessing the role of nondriving related factors in insurance pricing.

**Data Privacy and Cyber Security**

With the expansion of customer service portals, edata privacy and cybersecurity are two additional issues that are garnering significant attention at the federal level. Congress has introduced the American Data Privacy and Protection Act (ADPPA) which recently passed a House committee. This legislation, if enacted, would create a national standard for privacy and in effect would preempt state enacted insurance privacy statutes such as the Data Insurance Privacy Act enacted in 2018 by the South Carolina General Assembly. The bill would apply to most entities and would cover data that “identifies or is linked or reasonably linkable” to an individual. Companies would be required to make disclosures about whether the data collected is accessible to China, Russia, Iran or North Korea. Consumers would have the right to access, correct and delete their data and an opportunity to object before data is transferred to a third party. Large data holders would be required to conduct algorithm assessments to ensure the data does not discriminate on the basis of race, sex, gender or sexual orientation. Individuals would have a private right of action and could sue entities for damages. The bill would preempt state laws that cover the same topic areas as the bill and data breach notification laws.

Summarized below are highlights of other federal bills that may affect the business of insurance

Issue	Summary	Notes
No Surprises Act	The Departments of Health and Human Services, Labor, and the Treasury finalized a rule on the independent dispute resolution process under the No Surprises Act. The rule provides revised guidance for entities making arbitration decisions and imposes new requirements on issuers to provide information on how they calculate the qualified payment amount.	While the No Surprises Act has been in effect since January 1, the revised rules on the IDR process become effective around the end of October 2022.
ACA enhanced subsidies	The bill extends for three years the enhanced subsidies for ACA coverage originally passed under the American Rescue Plan Act. It requires Medicare to negotiate prices for a certain number of drugs each year, but does not extend the negotiated prices to private insurance plans. It caps consumer cost sharing in Medicare Part D at \$2,000 per year.	
FTC Data Security Rulemaking	the Federal Trade Commission (FTC), on a split party vote, approved an Advanced Notice of Proposed Rulemaking (ANPR) that focuses on potential new rules and requirements that could apply to entities engaged in targeted advertising or other forms of personal information gathering and sharing. Specifically, the FTC invites comment on whether it should implement new trade regulation rules or other regulatory alternatives concerning the ways in which companies (1) collect, aggregate, protect, use, analyze, and retain consumer data, as well as (2) transfer, share,	

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	sell, or otherwise monetize that data in ways that are unfair or deceptive.	
National Flood Insurance	Legislation to reauthorize the NFIP for one year (until Sept. 30, 2023) has been introduced. In addition, Cassidy called for Risk Rating 2.0 to be rolled back. This contrasts with the 10-year reauthorization and 17-point reform plan FEMA has called for.	Current extension will expire on September 30, 2022
DOL Fiduciary Rule	The Office of Information and Regulatory Affairs, under OMB ( <a href="https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202204&amp;RIN=1210-AC02">https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202204&amp;RIN=1210-AC02</a> ), posted that the DOL will unveil a new notice of proposed rule-making regarding the fiduciary rule for retirement advice in December of this year. The DOL’s definition of fiduciary requires that retirement advisors act in the best interest of their clients and put their clients’ interest above their own. As a reminder, the Fiduciary Rule was originally proposed and finalized under the Obama Administration. In 2018, the U.S. Court of Appeals for the Fifth Circuit vacated the original fiduciary rule for retirement advice. The Trump administration released its own proposal in 2020. That rule included exemptions to fiduciary conduct as long as providers adhered to “impartial conduct standards” modeled after SEC’s Regulation Best Interest. The Trump Administration rule was set to go into effect in 2021, but the Biden administration delayed enforcement through 2022.	

What follows is a summary of the impact of these internal and external factors on the various divisions of the Department.

***Actuarial and Market Services***

Personnel changes continue to present strategic challenges and opportunities for the Actuarial and Market Services Division. The more tenured employees continue to leverage this opportunity to showcase ways that they can contribute to the Division and have taken on training and mentoring of new staff. The Division has also looked internally to further the knowledge base of all employees within the Office of Market Services Division.

Because of the limited control we have over the workload itself, we strive to focus on the areas that are within our control with a continual focus on areas for improvement in our processes. For example, the total turnaround time for insurer rate, rule, and form filings is impacted by the quality of each filing at submission, the number of times we must request additional information, support, or clarification from an insurer, and how quickly an insurer provides such information. As the aforementioned items are only minimally within our control, we have sought to emphasize the state’s review time as this is entirely based upon how long it takes our staff to review a filing after submission and after a company responds to any follow-up inquiries we may have. Of course, we also understand that the total turnaround time directly impacts speed to market initiatives, so we try to balance the two metrics in our focus. Conducting business during the pandemic was an adjustment for the Department as well as its regulated entities. It initially caused delays in the submission of responses from insurers to Department questions as their staff adapted to working remotely. As the year progressed, insurers made changes to their internal processes, diminishing the delays.

To provide greater transparency for consumers, we continue to leverage SERFF Public Access, a no-cost, Internet-based solution for viewing public insurance company rate, rule, and form filings from anywhere at any time.

Fiscal Year 2022

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Consumers simply click a link on our website to begin searching for filings and are then able to download the entirety of the filing or select a subset of the filing to review in more detail.

We continue our efforts to enhance our market analysis efforts, which are critical to monitoring insurer trade practices and identifying emerging trends in the market or in a specific insurance carrier/group.

As we strive to focus on ways to improve what is within our control, we continue to emphasize regular updates to our exhibits and filing/reporting resources that we provide to companies to assist them in preparing and submitting a quality filing/report at initial submission. Our goal for Actuarial and Market Services is to provide insurance carriers with as much pertinent and useful information as we can up front to assist them in complying with South Carolina’s insurance laws.

Our division has also encountered additional challenges with the property and casualty marketplace following the pandemic. For automobile insurance, the mandatory shutdowns and increased numbers of work from home programs have created difficulty for insurers attempting to accurately price for future exposure. Supply chain shortages and inflation have also impacted costs and led to significant increases in private passenger automobile insurance rates. Insurers also have several different methodologies for evaluating experience post-COVID to attempt to normalize the data. Even though we do not approve methodologies, we must evaluate each insurer’s proposal to ensure there is not an omission of data or failure to account for elements of the historical patterns.

The coastal property market in South Carolina has also experienced instability, primarily caused by increasing reinsurance costs contributing to the insolvency of several insurance carriers. We have been responsible for facilitating an orderly cessation of business operations for five insurers and assist other insurers in their plans to absorb some of that business. We have licensed new insurers to the state and provided guidance to current insurers throughout this difficult time. We are also committed to maintaining a stable residual market that can serve the needs of the consumers in South Carolina while not experiencing excessive growth.

The Department was designated as the lead agency for administering South Carolina’s approximately \$34 million allocation as a beneficiary under the Volkswagen Environmental Mitigation Trust. On December 6, 2018, the Department finalized the State’s Beneficiary Mitigation Plan detailing 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. The Department issued a request for applications on March 18, 2019 in order to award up to \$10 million in funding under the state’s allocation. Approximately \$9.33 million in funding was awarded on July 30, 2019 to replace school and transit buses. The Department issued a second request for applications in December 2020 seeking to award up to \$24,622,804 in funding (the remaining balance under the state’s \$34 million allocation). Approximately \$24.54 million in funding was awarded on April 13, 2021 to replace school and transit buses. Additional details relating to the awards are available on the [www.doi.sc.gov/vwsettlement](http://www.doi.sc.gov/vwsettlement) webpage.

***Consumers, Licensing Services and Public Information***

Personnel changes have historically presented strategic challenges and opportunities for the Licensing and Consumer Services Division. Last year, three new insurance regulatory analysts and an administrative coordinator were brought on board in the Office of Consumer Services with a combined forty-years of experience in the insurance industry. The depth of talent grew considerably, leading to greater efficiencies and service to consumers. In the coming year, retention becomes the focus as some staff becomes eligible for retirement and others seek promotions within the Department. Knowledge transfer has been a key focus this year to ensure a solid succession plan. The Division continues to further the knowledge base of all employees within the Licensing

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and Consumer Services Division. All Consumer Services analysts are currently involved in professional development programs.

Many of the duties and responsibilities of the Licensing and Consumer Services Division are dependent upon external factors; the number of consumer calls, consumer complaints, and licensing applications that Division staff must process is directly correlated to how many consumers contact us for assistance. As a result, it can be challenging from a strategic planning perspective to manage resources effectively while ensuring an efficient turnaround of consumer submissions.

Because of the limited control we have over the workload itself, we strive to focus on the areas that are within our control with a continual focus on areas for improvement in our processes. For example, the total turnaround time for complaint resolution depends on how timely and thoroughly companies respond to consumer complaints. Process and technological improvements implemented over the past several years have resulted in continued improvement in complaint turnaround time while simultaneously improving the quality of complaint files.

Content on our website is updated continuously and now includes complaint summary information for carriers doing business in the state by line of business. Frequently asked questions are also posted and updated on a regular basis.

The Licensing & CE Division continues to work with the NAIC and the National Insurance Producer Registry (NIPR) to modernize and streamline our processes and take steps to improve uniformity and reciprocity with regards to producer licensing. The Licensing & CE Division has updated laws, regulations, and business rules to meet technical best practices recommended by NIPR to obtain uniformity with other states and substantially lessen the complexity of the licensing process for our end users (i.e. producers).

The agency continues to work toward increasing efficiency and accountability for employees. The newly implemented SEGRA call center software provides excellent oversight of agent availability and call monitoring. The new system includes a call center function and provides in-depth reporting functionality. This has proven extremely beneficial even with employees now back in the office. Management can easily ensure telephone coverage and monitor calls for quality assurance and training purposes, resulting in better service for consumers. The licensing office was further reorganized to increase efficiency and productivity of the staff. Our offices of specialty licensing and Pharmacy Benefit Manager Oversight were merged in an effort to leverage resources and provide growth paths for talented resources. This unit will continue to build out as our regulatory authority over PBMs potentially increases with upcoming legislative efforts. We will continue to tweak these assignments to maximize operational quality, service efficiency, and Departmental productivity, with increased attention to knowledge transfer and the addition of promotable staff to back up existing management.

***Financial Regulations & Solvency***

The key strategic challenges confronting the Financial Regulation & Solvency Division involve our ability to effectively regulate the financial solvency of our domestic industry and maintain our NAIC accreditation, license and monitor non-domestic companies writing South Carolina business, implement new regulatory standards in response to legislative changes, respond to systemic financial crises impacting insurers that are members of a holding company system, and grow the domestic captive insurance industry.

The NAIC Accreditation Program was established to develop and maintain standards to promote effective insurance company financial solvency regulation. The purpose of the accreditation program is for state insurance

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departments to meet baseline standards of solvency regulation, particularly with respect to regulation of multi-state insurers. NAIC accreditation allows non-domestic states to rely on the accredited domestic regulator to fulfill a baseline level of effective financial regulatory oversight. This creates substantial efficiencies for insurance regulators, who are then able to coordinate and rely on each other's work. It also creates far greater efficiencies for insurance companies licensed in accredited states, which are then not subject to financial examinations or other financial oversight by multiple jurisdictions. All fifty states, the District of Columbia, 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 their last full review in November of 2021 and was reaccredited for another five years. This review entailed a full review of laws and regulations, the financial analysis and financial examinations 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.

In addition to licensing domestic insurers and ensuring they remain solvent, the Department is also responsible for taking regulatory action when deemed necessary. Regulatory actions may include administrative supervision, rehabilitation, and/or liquidation, and Department staff may be called upon to serve in any of these capacities. We also have an obligation to ensure that non-domestic entities writing business here are fully able to pay claims when due. While placing a certain amount of reliance on other states pursuant to the accreditation program described above, we also occasionally place restrictions on companies prior to licensing them so we must continually monitor their compliance with said restrictions and take any action, if necessary, usually in conjunction with their domestic state.

The increasing globalization and interconnectedness of financial services firms with other, non-financial firms, has given rise in recent years to systemic risks of a potentially international nature. In response, U.S. insurance regulators continue to reevaluate their group supervisory framework and pay close attention to the risks that are created by activities going on outside of those entities as well as the reputational and contagion issues that could exist. South Carolina, as well as all other U.S. jurisdictions, continues to work to understand the effects of the international discussions on insurance regulation and supervisory standard-setting on the U.S. regulated industry. The Department is actively following these international discussions through the efforts of several different working groups created by the NAIC.

South Carolina is also recognized as a leading onshore domicile for captive insurance companies and another key challenge for our division involves growing the domestic industry, maintaining our stellar reputation as a domicile of choice for operating companies that generally do business on a national or global scale, and regulating these entities for solvency. We routinely exhibit at industry conferences, partner with service providers based in South Carolina to license new companies, work with the legislature to keep our statutes competitive with other states, and generally play our part in bringing value to captive owners so that they continue to make a material economic impact in the state.

The Department's ability to recruit and retain competent and qualified staff continues to be a challenge for the agency. During the past rating period, the Financial Regulation Division has continued to reorganize to enable the Department to meet these new regulatory challenges. Additional reorganization and effective succession planning will continue to be necessary as members of the Division retire or transition to other opportunities. To address these concerns, the Division has hired interns, permitted other employees within the agency to job shadow, and mentored employees who may have an interest in financial regulation to ensure a qualified pool of financial regulators.

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**Office of General Counsel, Compliance and Enforcement**

The Office of General Counsel provides legal services and advice to the Department of Insurance. The Office provides a variety of legal services including compliance and enforcement, FOIA, Service of Process and advice and counsel to all areas of the Department. It also reviews or drafts rules, orders, bulletins and provides legal support for legislative issues (when needed) and litigation and subpoenas involving the agency.

Fulfilling the Office’s core legal and market regulatory responsibilities, hiring staff and implementing succession strategies are the OGC’s priorities this fiscal year. The Office of General Counsel is in a state of transition due to staff retirements, resignations, and an employee reassignment. There has been an 80% turnover in staff since 2017.

This transition is an opportunity for the office to rebuild its staff and improve processes and procedures, but it also presents a challenge to recruit employees during the Great Resignation era with the experience and training needed to be effective in the position within 180 days of employment. Accordingly, the Office is focused on developing and finding training opportunities unique to the work of this Department.

Effective FY 2018-19, all SCDOI employees were also required to assist with the development of knowledge transfer plans (KTPs) to minimize the loss of institutional knowledge upon the employee’s separation from the Department. In addition, the Office of General Counsel is in the process of developing detailed procedures for the core legal responsibilities of the office for each position assigned to this office. These procedures will be housed in paper and electronic formats on the OGC SharePoint site as well as the OGC’s HighQ file management site that is being customized for the Office’s use. It is envisioned that the OGC will transition to the HighQ document management system by the end of this 2022 calendar year.

The highlights for the past fiscal year include:

- Drafted or reviewed 11 insurance regulatory bulletins; recommended the withdrawal of 7 bulletins;
- Reviewed 2 mergers and acquisitions for legal sufficiency and drafted the respective orders;
- Represented in the Department in 5 civil litigation matters including an action with significant implications for state-based insurance regulation;
- Processed 52 FOIA requests;
- Handled 4864 Requests for Service of Process;
- Represented or advised the Department in 8 insurance company receivership matters;
- Updated training and developed an Employee Training Series for SCDOI employees and supervisors on various topics; and
- Updated policies and procedures, checklists and other templates aimed at improving the efficiency of the legal function at the Department and the office’s transition to another document management platform.

The foregoing is not an exhaustive list.

**Compliance and Enforcement**

The Department enforces the insurance laws of the State of South Carolina. It is responsible for investigating, examining and resolving cases involving insurance companies, health maintenance organizations (HMOs), producers, agencies, other licensees and applicants. Violations are resolved through consent order, voluntary compliance and through the imposition of administrative disciplinary actions. The Compliance and Enforcement functions consist of Investigations and market regulatory oversight.



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**Investigations**

The Investigations Unit within the Office of General Counsel receives referrals from business units throughout the agency and complaints from external stakeholders. It reviews, investigates or assists with issues related to statutory violations; unauthorized transaction of insurance business; unfair methods of competition; unfair or deceptive acts or practices in the insurance business; unfair claims settlement practices; and disaster-related claims handling.

Following an investigation, the Office of General Counsel may bring disciplinary actions that result in administrative penalties; license revocations and suspensions; monitored agent probations; or administrative penalties. Cases involving fraud are being referred to the Insurance Fraud Unit of the Attorney General’s Office for review and prosecution until the Insurance Fraud Unit within the South Carolina Department of Insurance is established. Set forth below are some of the highlights of the Department’s enforcement activities this past fiscal year:

Investigations Files Opened	468
Investigation Files Closed	392
License Suspensions	0
License Probation	2
Warning Letters	128
License Revocations	71
AG Referrals	2
Cease and Desist Letters	3

**Market Regulation**

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 in order to execute these responsibilities. They also coordinate multi-state examinations through the National Association of Insurance Commissioners (NAIC).

During the past fiscal year, market regulation staff accomplished the following:

- Completed 51 level 1 reviews of insurer market conduct covering 225 lines of business;
- Opened file and reviewed 22 complaints/referrals to determine whether there were market conduct related violations of the South Carolina insurance laws; and
- Participated in 5 market conduct examinations.

**Insurance Fraud Division**

The Insurance Fraud Division was established by the Omnibus Insurance Fraud and Reporting Immunity Act in 1994. This Act created the Division within the Office of the Attorney General to prosecute insurance fraud throughout the State. The Act further requires 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

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entered into a Memorandum of Understanding to relocate the Insurance Fraud Division to the Department of Insurance.

The first challenge faced by the Department is the building of this new Insurance Fraud Division. Shortly after entering the MOU, the Department was able to acquire additional office space to house the new employees of the Division as well as the SLED agents assigned to investigate insurance fraud. Although the Insurance Fraud Division moved from the Attorney General’s Office to the Department of Insurance, the AG employees of the Division remained with that office. The new Director of the Insurance Fraud Division joined the Department of Insurance in September 2021. Despite a competitive job market coming out of the Covid-19 pandemic, three additional prosecutors and two paralegals were hired and joined the Division by January 2022. An additional prosecutor is expected to be hired and start in the fall of 2022. To further demonstrate the dynamic employment market and competition with the private sector and non-state agencies, one of the original prosecutors hired in late 2021 will be leaving the Department to work for a local agency with a very flexible work schedule. This will create an additional attorney vacancy to be filled in the fall of 2022.

A challenge that accompanied the transition is the vast backlog of cases dating back several years. This backlog includes cases at the prosecution stage and a large number of cases classified as under investigation. While the Attorney General’s Office retained some of the cases at the prosecution stage, many of the cases came to the Department of Insurance. The new insurance fraud prosecutors have already been going to court and resolving some of these older cases by guilty pleas. Some of the cases pending investigation have been re-examined and declined because they lack prosecutorial merit.

This backlog has presented particular challenges for over three reasons. First, the networks and systems of all 3 agencies are not compatible which makes the transfer of the files very cumbersome and time consuming. Second, flow of new complaints has not slowed. This requires a tenuous balance of addressing backlog cases while preventing new cases from becoming part of the backlog. Third, there was no case management system accompanying the backlog of cases nor was there an existing case management system capable of the backlog or new insurance fraud cases in existence at the Department of Insurance.

To address these challenges, the Department of Insurance is developing a new case management system (HighQ) to track and dispose of cases while recording important reporting and trend data at the same time much more efficiently. This new system will also aid in the transfer of files between the Insurance Fraud Division and the assigned SLED agents who will have limited access to the new system. Once this new case management system is fully in place and the Division is fully staffed, we expect to be able to better address new cases and the backlog at the same time.

### ***Challenge: Cybersecurity and Insurance Regulation in a Digital World***

The insurance sector is rapidly shifting to digital platforms or technology and is becoming increasingly reliant on digital technologies for internal operations and customer service. Digital technologies such as social media, mobile telephone applications and data analytics are changing the way consumers interact with insurance companies and driving the industry toward more technological or digital initiatives that make their business more efficient and cost effective.

The increased use of this technology and artificial intelligence means that insurers are prime targets for data/information security breaches. State and federal governments are enacting laws to protect consumer information from hackers and from being sold without the consumer’s consent. This technological reliance also brings additional regulatory challenges involving potential unfair discrimination. The NAIC Big Data and Artificial

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Intelligence (H) Working Group is charged with reviewing existing regulatory frameworks used to oversee the insurers’ use of consumer and non-insurance data.

This Department continues to monitor cybersecurity in the insurance sector closely. In addition, regulators work with insurers to resolve immediate concerns when a data breach occurs at an insurance company. State insurance regulators are also in the unique position of regulating and monitoring the solvency and market activities of insurance carriers underwriting cybersecurity policies.

South Carolina enacted and implemented the first Insurance Data Security Act (modeled on federal law). The reporting requirements went into effect in January 2019 and licensees that are not exempt from the Act were required to have an information security program in place by July 1, 2019. The Department has received 139 notifications to date with 72 of those notices in the past fiscal year. The majority of these notices appear to involve actions by third party vendors.

Congress is considering federal bills that may preempt state laws in this area such as the American Data Privacy and Protection Act (ADPPA). This legislation, if enacted, may preempt state enacted insurance privacy statutes such as the Data Insurance Privacy Act enacted in 2018 by the South Carolina General Assembly and state breach notification laws. Some members of industry are supporting federal legislation. A federal framework will impact that states’ ability to protect the personal data of its consumers.

### *Challenge: Workforce Planning and Capacity*

Our agency’s workforce risks are not unlike many other organizations when it comes to an increasing number of retirement eligible employees and the potential loss of their expertise and institutional knowledge. Starting with FY20, we have taken more proactive steps toward improving our Workforce Plan. Every employee now completes an Individual Development Plan (IDP) and the “most urgent” positions held by employees will also complete a Knowledge Transfer Plan (KTP). Both are incorporated into the annual performance review process. These documents will capture our most “critical” tasks and establish yearly objectives to document and cross-train others to minimize the number of tasks where institutional and expertise is limited to only a few “key” employees. We are considering hiring a consultant to review our plan and processes. No other agencies appear to have a model like ours to follow.

All managers were required to have an objective, starting with their FY20 Planning Stage that addresses Workforce Planning performance measures.

Moreover, Department employees are also being encouraged to take courses to obtain insurance related designations and certifications to enhance their insurance knowledge and otherwise prepare them for advancement opportunities as they become available within the organization. Employees are being cross-trained, mentored and allowed to shadow employees in positions in which they may have an interest. While no guarantees of promotions or employment are made, these efforts help the Department in the event of an unexpected absence and help prepare the employee should an opportunity become available. Because of these collective efforts, the Department has been able to recruit applicants as well as retain and promote employees with significant insurance knowledge into positions at the Department.

The foregoing discussion summarizes the internal and external factors that impact this agency. It is within this environment that the Department attempts to regulate the South Carolina insurance marketplace. Senior

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leadership reviews market performance and other regulatory challenges annually. From this, the Department develops its goals and objectives and legislative and other policy recommendations.

Summarized below are the Department’s significant achievements during the fiscal year ending June 30, 2022: Collected \$303,881,164 in revenue from taxes, fees, assessment and fines, etc. Reviewed and analyzed 9,274 rate, rule and form filings. 6,693 were related to property and casualty insurance products and the remaining 2,581 were related to life, accident and health insurance products. The Department’s Office of Consumer Services resolved 2,924 complaints during the fiscal year. Reviewed the South Carolina Code of Laws, Title 38 to determine what, if any, laws that are unnecessary and issued 10 bulletins clarifying issues related to the implementation of South Carolina insurance laws. Implemented a more robust outreach plan which consists of an enhanced website, additional community events, and enhanced market assistance activities in the communities affected by various disasters or other natural events. Enhanced the quality and efficiency of the services provided to stakeholders by automating processes and upgrading technology to enable the Department to be more responsive and to secure the data maintained by the agency.

***Risk Assessment and Mitigation Strategies:***

The mission of the Department is to protect consumers by regulating the insurance industry, promoting a stable and competitive insurance market and enforcing the insurance laws of the state. The Department regulates the industry to assure consumers that insurers transacting business in this state will fulfill their policyholder obligations, i.e., provide the benefits contracted for under the policy. Solvency and market regulation are among the most important consumer protection functions performed by the Department. Market regulation and surveillance activities must also include initiatives to protect consumer information.

Data security and privacy continue to be a significant risk factors for most organizations. The more data the Department retains the greater the risk exposure. Emerging data sources such as social media, Office 365, G-mail and cloud-based collaboration applications are targets for hackers.

The other significant data risk exposure comes through remote working arrangements. While the Department can monitor the use of its systems, it is difficult to monitor other intentional or inadvertent disclosures of confidential information while employees are working from an alternate location.

The Department attempts to minimize its risk exposure by limiting the amount of PII its collects and maintains, destroying unnecessary files in accordance with state record retention requirements, conducting phishing campaigns, limiting employee access to data (least privilege) and regularly requiring employees participate in KnowB4 training modules. Compliance with Department data security requirements are also included in employee performance appraisals.

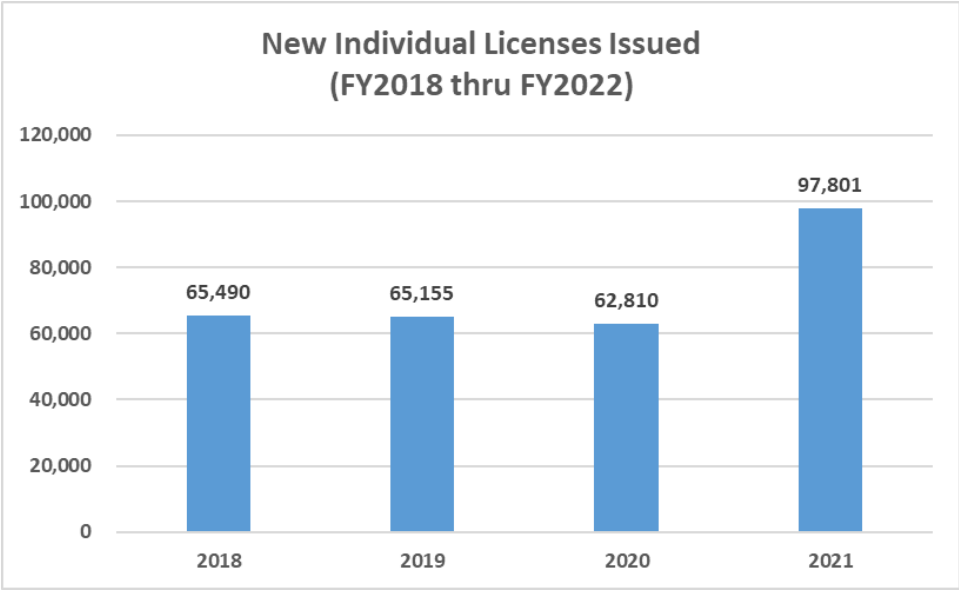
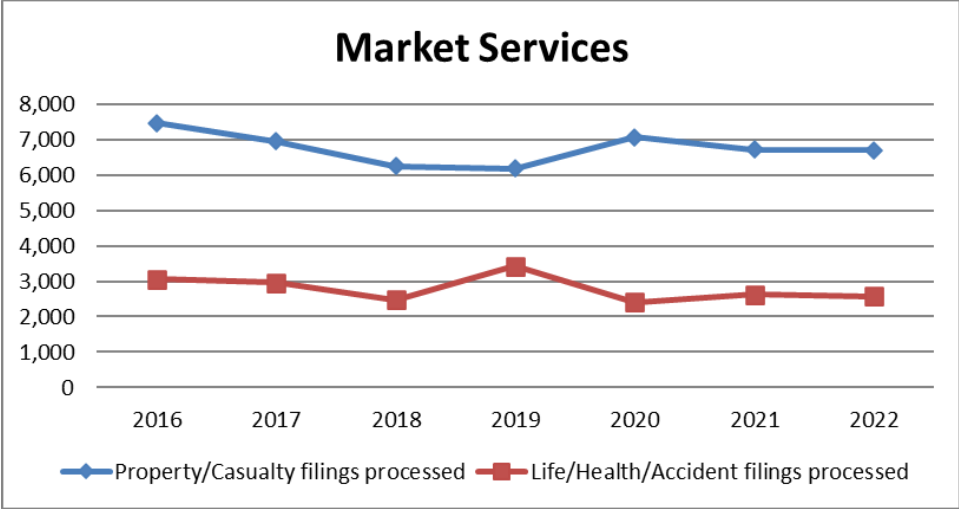
Over the course of the next fiscal year, the Department will continue its efforts to review and update the Department’s data security and privacy policies and procedures as well as its record retention policies and processes and to implement an employee training series that will include training on these topics.

Legislatures can help mitigate the risk by:

- Appropriating sufficient funds or providing a dedicated funding source to ensure the Department to enable the Department to attract and retain adequate and competent personnel; and

<b>AGENCY NAME:</b>	<b>Department of Insurance</b>		
<b>AGENCY CODE:</b>	<b>R200</b>	<b>SECTION:</b>	<b>078</b>

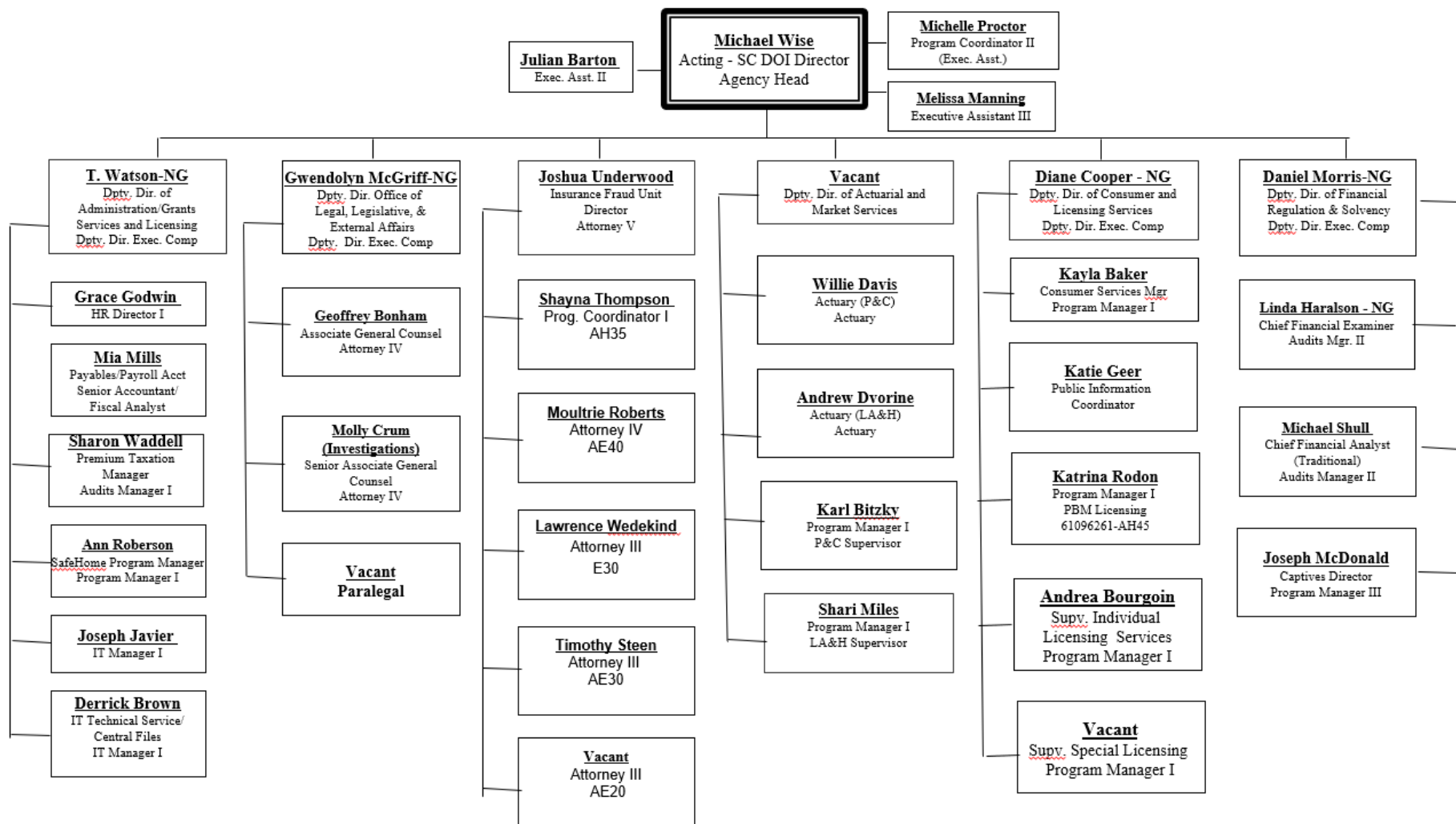
- Review and enact laws periodically to ensure that they protect the insurance-buying public from improper market practices and are compatible with new electronic delivery platforms and artificial intelligence technologies used by the insurance industry.



**Using the Accountability Report to Improve Organizational Performance**

The Department uses the Accountability Report to annually evaluate and critique the progress of the agency’s strategic plan. The Report is also used to initiate discussion about potential changes or additions to the current year’s action plan. Through this process, the performance measures are accurately linked to larger, strategic goals in such a way that promotes the Department’s transparency, efficiency, and effectiveness and commitment to its stakeholders.

## South Carolina Department of Insurance



# FY2022

## Reorganization and Compliance

as submitted for the Accountability Report by:

### R200 - DEPARTMENT OF INSURANCE

#### Primary Contact

First Name	Last Name	Role/Title	Email Address	Phone
John	Watson	Deputy Director of Administration	twatson@doi.sc.gov	803-737-6141

#### Secondary Contact

First Name	Last Name	Role/Title	Email Address	Phone
Michael	Wise	Agency Director	mwise@doi.sc.gov	803-737-6805

Agency Mission	Adopted in:
The mission of the South Carolina Department of Insurance (Department) is to protect the insurance consumers, the public interest and the insurance marketplace by ensuring the solvency of insurers, enforcing and implementing the insurance laws of this State, and regulating the insurance industry in an efficient, courteous, responsive, fair, and equitable manner.	2012

Agency Vision	Adopted in:
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.	2012

Recommendations for reorganization requiring legislative change:
None

Agency intentions for other major reorganization to divisions, departments, or programs to allow the agency to operate more effectively and efficiently in the succeeding fiscal year:
None

Significant events related to the agency that occurred in FY2022				
Description of Event	Start	End	Agency Measures Impacted	Other Impacts
N/A				

Is the agency in compliance with S.C. Code Ann. § 2-1-220, which requires submission of certain reports to the Legislative Services Agency for publication online and the State Library? (See also S.C. Code Ann. § 60-2-20).	Yes
	Yes

Reason agency is out of compliance: (if applicable)

Is the agency in compliance with various requirements to transfer its records, including electronic ones, to the Department of Archives and History? See the Public Records Act (S.C. Code Ann. § 20-1-10 through 20-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).	Yes
	Yes

Does the law allow the agency to promulgate regulations?	Yes
	Yes

Law number(s) which gives the agency the authority to promulgate regulations:
38-3-110; 38-3-440; 38-7-20; 38-9-420; 38-10-80; 38-12-90; 38-14-200; 38-19-1210; 38-21-295; 38-23-100; 38-26-110; 38-33-30; 38-33-200; 38-41-110; 38-43-80; 38-43-100; 38-43-106; 38-43-480; 38-44-80; 38-45-180; 38-46-120; 38-48-160; 38-53-20; 38-55-720; 38-61-30; 38-63-660; 38-65-360; 38-69-330; 38-70-60; 38-71-243; 38-71-530; 38-71-540; 38-71-880; 38-71-1450; 38-71-1720; 38-71-1760; 38-71-2000; 38-71-2060; 38-71-2210; 38-72-67; 38-73-500; 38-73-910; 38-74-20; 38-74-90; 38-75-485; 38-77-114; 38-77-320; 38-77-845; 38-78-110; 38-85-80; 38-87-140; 38-90-150; 38-90-630; 38-97-90; 38-99-90

Has the agency promulgated any regulations?	Yes
	Yes

Is the agency in compliance with S.C. Code Ann. § 1-23-120 (J), which requires an agency to conduct a formal review of its regulations every five years?	Yes
	Yes

(End of Reorganization and Compliance Section)

# FY2022

## Strategic Plan Results

as submitted for the Accountability Report by:  
R200 - DEPARTMENT OF INSURANCE

- Goal 1 Maintain a solvent and competitive insurance marketplace
- Goal 2 Promote voluntary compliance by enhancing education and outreach
- Goal 3 Protect the public through effective regulatory enforcement of insurance laws
- Goal 4 Improve Operational Quality, Service Efficiency, and Departmental Productivity
- Goal 5 #N/A
- Goal 6 #N/A
- Goal 7 #N/A
- Goal 8 #N/A

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
<b>1.1 Process Rates, Forms and Licenses promptly</b>											<b>State Objective: Government and Citizens</b>			
1.1.1	Percent of licenses who renew online	93%	80%	94%	Percent	equal to or greater than	State fiscal year	Number of licenses renewed online / total number of licenses renewed.	Licensing System	Licensing System	Direct Benefits to agency customers	Direct Customers	4000.100000.000	
1.1.2	Number of life, accident and health (LA&H) insurance rate and form filings processed	2414	2633	2581	Count	equal to or greater than	State fiscal year	Report of number of LA&H filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	SERFF	Direct Benefits to agency customers	Direct Customers	4000.250000.000	
1.1.3	LA&H Filing Turnaround Time	19.94	20.23	7.71	Ratio	equal to or less than	State fiscal year	Average State Turnaround Days for filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	SERFF	Direct Benefits to agency customers	Direct Customers	4000.250000.000	
1.1.4	Number of property and casualty (P&C) insurance rate, rule and form filings processed	7059	6712	6693	Count	equal to or greater than	State fiscal year	Report of number of P&C filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	SERFF	Direct Benefits to agency customers	Direct Customers	4000.250000.000	
1.1.5	P&C Filing Turnaround Time	8.82	12.06	6.16	Ratio	equal to or less than	State fiscal year	Average State Turnaround Days for filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	SERFF	Direct Benefits to agency customers	Direct Customers	4000.250000.000	
1.1.6	Totals number of licensed agents	220633	247353	299297	Count	equal to or greater than	State fiscal year	Number of agents	Licensing System	Licensing System	Direct Benefits to agency customers	Direct Customers	4000.100000.000	
1.1.7	Number of regulated companies and other carriers (Traditional & Captives)	1720	1799	1832	Count	equal to or greater than	State fiscal year	What is included in this count?	Company Licensing System	Company Licensing System	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
1.1.8	Producer Licensing Turnaround Time (hours)	7	7	2.7	Ratio	equal to or less than	State fiscal year	Average turnaround time in house	SBS	SBS	Direct Benefits to agency customers	Direct Customers	4000.100000.000	
1.1.9	Newly Licensed Individuals	62810	82865	97801	Count	equal to or greater than	State fiscal year	Number of new licenses issued	Licensing System	Licensing System	Direct Benefits to agency customers	Direct Customers	4000.100000.000	
<b>1.2 Recruit new insurers to SC to write in underserved markets</b>											<b>State Objective: Government and Citizens</b>			
1.2.1	Track insurance entities licensed/approved/registered in SC	792	815	823	Count	equal to or greater than	State fiscal year	Which one of the groups listed in the measure is being counted, or is it the aggregate of all three?	SBS	SBS	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
<b>1.3 Monitor insurer solvency through financial analysis and examinations</b>											<b>State Objective: Government and Citizens</b>			
1.3.1	Conduct quarterly analysis of the financial statements of all domestic insurers, including domestic RRG Captives, authorized to transact business in SC to insure the company is not operating in a hazardous financial condition. (Traditional & Captives)	308	292	324	Count	equal to or greater than	Calendar year	Number of reviews	Traditional Supervising Analyst	Traditional Supervising Analyst	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
1.3.2	Captive Business Plan Changes - total days (receipt to closure)	7	7	5.3	Count	equal to or less than	State fiscal year	Average turnaround time in days	Captives	Captives	Direct Benefits to agency customers	Direct Customers	4000.400000.000	



Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
1.3.3	Conduct statutory and limited scope examinations of domestic insurers, including domestic RRG Captives, authorized to transact business in SC to insure the company is not operating in a hazardous financial condition and is not operating in a manner inconsistent with SC laws and regulations.	100%	100%	100%	Percent	Maintain	Other	Number of examinations completed / number of examinations required by statute	Traditional Chief Financial Examiner	Traditional Chief Financial Examiner	Direct Benefits to agency customers	Direct Customers	4000.050000.000	
1.3.4	Conduct, no less than annually, analysis of the financial statements of all domestic Non-RRG Captives authorized to transact business in SC to insure the company is not operating in a hazardous financial condition.	110	260	115	Count	equal to or greater than	Calendar year	Number of reviews	Captive Supervising Analyst	Captive Supervising Analyst	Direct Benefits to agency customers	Direct Customers	4000.400000.000	
1.3.5	Conduct statutory and limited scope examinations of domestic Non-RRG Captives authorized to transact business in SC to insure the company is not operating in a hazardous financial condition and is not operating in a manner inconsistent with SC laws and regulations.	100%	100%	100%	Percent	Maintain	Other	Number of examinations completed / number of examinations required by statute	Captive Chief Financial Examiner	Captive Chief Financial Examiner	Direct Benefits to agency customers	Direct Customers	4000.400000.000	
1.3.6	Troubled Company Committee meets as necessary, but no less than quarterly, to discuss troubled or potentially troubled companies. The results of these meetings will be reported to the Director and Deputy Director as they occur.	10	4	4	Count	equal to or greater than	Other	Number of meetings	Committee Records	Committee Records	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
1.3.7	Using available reporting, conduct a quarterly review of all foreign and alien insurers, including RRG Captives, authorized to transact business in SC. Contact the companies' domestic states with any concerns.	100%	100%	100%	Percent	Maintain	Other	Number of reviews / Number of required reviews	Captive and Traditional Supervising Analysts	Captive and Traditional Supervising Analysts	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
1.3.8	Number of entities receiving SC DOI solvency-related intervention	0	0	0	Count	Maintain	Other	Number of interventions	Financial Regulations/SBS	Financial Regulations/SBS	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
1.3.9	Captive Business Plan Changes - net days (Dept. processing time)	3	3	3.1	Ratio	equal to or less than	State fiscal year	Average processing time in days	Captives	Captives	Direct Benefits to agency customers	Direct Customers	4000.400000.000	
<b>1.4</b>	<b>Review insurance laws to reduce impediments to competition or market entry</b>										<b>State Objective: Government and Citizens</b>			
1.4.1	Review provisions of Title 38 affecting licensure of insurers	100%	100%	100%	Percent Complete	Complete	State fiscal year	Percent complete as determined by the agency.	Legal	Legal	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
1.4.2	Identify laws that may require modification or repeal	5	0	0	Count	equal to or greater than	Calendar year	Number of laws identified	Legislative Liaison	Legislative Liaison	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
<b>2.1</b>	<b>Implement Communications Plan</b>										<b>State Objective: Education, Training, and Human Development</b>			
2.1.1	Communicate insurance related messages via PSAs and social media	400	352	405	Count	equal to or greater than	State fiscal year	Number of messages	Annual Communication Plan (Does this tell you how many were completed?)	Annual Communication Plan (Does this tell you how many were completed?)	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
<b>2.2</b>	<b>Educate DOI Employees</b>										<b>State Objective: Education, Training, and Human Development</b>			
2.2.1	Provide Agency resources for CISR/AFE/APIR/PIR/CPCU/Aer/ACAS/CFE Trainings and designations for all approved staff.	100	100	100	Count	equal to or greater than	State fiscal year	Number of trainings	HR	HR	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
2.2.2	Security/Confidentiality Training	100%	100%	100%	Percent	Maintain	State fiscal year	Number of trainings	HR	HR	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
<b>2.3</b>	<b>Implement Disaster Response Plan</b>										<b>State Objective: Education, Training, and Human Development</b>			

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
2.3.1	Enhance disaster preparedness capabilities through preparing, training, and exercising	4	4	4	Count	equal to or greater than	State fiscal year	Number of events	EMD	EMD	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.00000.000	
<b>3.1</b>	<b>Ensure licensees are complying with the requirements of SC law</b>										<b>State Objective: Government and Citizens</b>			
3.1.1	Maintain NAIC Accreditation every Five (5) Years	100	100	100	Count	Maintain	Other	Completion of activities required for NAIC Accreditation, awarded by (what does NAIC stand for?).	NAIC Review	Deputy Director	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
<b>3.2</b>	<b>Promote compliance through education</b>										<b>State Objective: Government and Citizens</b>			
3.2.1	Number of consumers assisted by SCDOI Consumer Help Line Switchboard	8285	5507	7285	Count	equal to or greater than	State fiscal year	Number of calls resolved	SBS	SBS	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
3.2.2	Number of consumer calls, inquiries addressed by Insurance Regulatory Analysts in the SCDOI's Office of Consumer Services	8498	5507	7778	Count	equal to or greater than	State fiscal year	Sum of new calls and new visitors handled by staff (excluding switchboard) during FY	Segra	Segra	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
<b>3.3</b>	<b>Evaluate opportunities for speedier resolution of some complaints</b>										<b>State Objective: Government and Citizens</b>			
3.3.1	Number of enforcement cases concluded with action	43	101	220	Count	equal to or greater than	State fiscal year	Number of cases with actions	Unit Monthly Report	SBS	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
3.3.2	Legal cases closed	282	279	392	Count	equal to or greater than	State fiscal year	Number of cases closed	Legal	Legal	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
3.3.3	Dollar amount of penalties assessed for violations of insurance and insurance-related statutes and rules	105710	288382	20400	Dollar Amount	equal to or greater than	State fiscal year	Total amount of penalties assessed	Unit monthly report	Accounting	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
3.3.4	Number of referrals of alleged insurer fraud to state and federal prosecutors	7	2	3	Count	Maintain	Calendar year	Number of referrals	HighQ	HighQ	Direct Benefits to agency customers	Direct Customers	4000.450000.000	
3.3.5	Number of reports of insurer fraud received Calendar Year	2491	2491	2573	Count	Maintain	Calendar year	HighQ	HighQ	HighQ	Direct Benefits to agency customers	Direct Customers	4000.450000.000	
3.3.6	Percent of enforcement cases concluded within 365 days	97%	95%	97%	Percent	equal to or greater than	State fiscal year	Number of open divided by # of closed for the year	SBS	SBS	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
3.3.7	Number of complaints resolved	3471	3711	2924	Count	equal to or greater than	State fiscal year	Sum of number of files opened and closed during FY	SBS	SBS	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
3.3.8	Dollar amount returned to consumers through complaints resolution	6385223	4949089	8663918	Dollar Amount	equal to or greater than	State fiscal year	Sum of monthly recovered amounts for July 2015 through June 2016	Dashboard Recovered Amounts Reports from SCDOI Market Conduct Database	SBS	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
3.3.9	Complaint/Inquiry Turnaround Time (days)	8.72	10	7.44	Ratio	equal to or greater than	State fiscal year	Calculated by subtracting the date closed from the date opened; average across all complaints closed during the fiscal year.	SBS	SBS	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
3.3.10	Average turnaround time (in days) to written consumer complaints	8.72	9	7.44	Ratio	equal to or greater than	State fiscal year	Average of the duration of days between complaint open date and complaint closed date for complaints opened and closed during the FY	Open/ Closed Complaint Report from SCDOI Market Conduct Database	SBS	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
<b>3.4</b>	<b>Communicate compliance and enforcement statistics/trends to stakeholders</b>										<b>State Objective: Government and Citizens</b>			
3.4.1	Breakdown of complaint statistics by insurance carrier by year to public	100%	100%	100%	Percent Complete	Complete	State fiscal year	Percent complete as determined by the agency.	DOI Market Conduct Database; DOI website	SBS	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
<b>4.1</b>	<b>Recruit, train and retain a knowledgeable and healthy staff</b>										<b>State Objective: Education, Training, and Human Development</b>			
4.1.1	Connect each year using established relationships with institutions of higher education for internship and recruitment, management, and insurance.	1	1	1	Percent Complete	Complete	State fiscal year	Percent complete as determined by the agency.	Internal Records	HR	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
4.1.2	Update Succession/Workforce plans with inclusion in staff annual planning stages and evaluations.	100%	100%	100%	Percent Complete	Complete	State fiscal year	Percent complete as determined by the agency.	Internal Records	HR	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
4.1.3	Periodically throughout the year, communicate and promote wellness benefits & initiatives to employees regularly and ensure they are aware of other wellness resources such as tobacco use programs, employee assistance programs and ergonomics options.	100%	100%	100%	Percent Complete	Complete	State fiscal year	Percent complete as determined by the agency.	Internal Records	HR	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
<b>4.2</b>	<b>Make website more interactive</b>									<b>State Objective: Education, Training, and Human Development</b>				
4.2.1	Enhance SC Safe Home Online Portal w/ recommended items	100%	100%	100%	Percent Complete	Complete	Other	Percent complete as determined by the agency.	Safe Homes Access Database	Safe Homes Access Database	Direct Benefits to agency customers	Direct Customers	4000.300000.000	
<b>4.3</b>	<b>Review and Maintain heightened level security DOI systems &amp; facilities</b>									<b>State Objective: Education, Training, and Human Development</b>				
4.3.1	Integrate network security into daily operations	100%	100%	100%	Percent Complete	Complete	State fiscal year	Percent complete as determined by the agency.	Security file	Security file	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
4.3.2	Make "Securing the Human" course mandatory for all on a yearly basis	100%	100%	100%	Percent Complete	Complete	State fiscal year	Percent complete as determined by the agency.	Security file	Security file	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
4.3.3	Implement all DTO recommendations for IT Security immediately	100%	100%	100%	Percent Complete	Complete	State fiscal year	Percent complete as determined by the agency.	Security file	Security file	Direct Benefits to agency customers	Direct Customers	0100.000000.000	

# FY2023

## Strategic Plan Development

- Goal 1 #N/A
- Goal 2 #N/A
- Goal 3 Protect the public through effective regulatory enforcement of insurance laws

as submitted for the Accountability Report by:

R200 - DEPARTMENT OF INSURANCE

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
<b>3.4 Communicate compliance and enforcement statistics/trends to stakeholders</b>													
3.4.2	Complete Annual Report to the General Assembly; publish for stakeholders and consumers	1	1	Percent	Complete	Calendar Year	Publish data to include number and type of complaints received, Actions taken on complaints, Number of convictions, Restitution collected/ordered, fines collected, etc.	HighQ and Internal Records	HighQ and Internal Records	Direct Customer	General Assembly	4000.450000.000	

# FY2022

## Budget Data

as submitted for the Accountability Report by:

### R200 - DEPARTMENT OF INSURANCE

State Funded Program No.	State Funded Program Title	Description of State Funded Program	(Actual) General	(Actual) Other	(Actual) Federal	(Actual) Total	(Projected) General2	(Projected) Other	(Projected) Federal4	(Projected) Total
0100.000000.000	Administration	Administration	\$ 1,697,536.75	\$ 589,496.86	\$ -	\$ 2,287,033.61	\$ 1,744,384.00	\$ 1,922,492.00	\$ -	\$ 3,666,876.00
4000.050000.000	Solvency	Solvency	\$ 391,476.74	\$ 964,715.11	\$ -	\$ 1,356,191.85	\$ 203,302.00	\$ 1,007,657.00	\$ -	\$ 1,210,959.00
4000.100000.000	Licensing	Licensing	\$ 260,625.20	\$ 500,019.27	\$ -	\$ 760,644.47	\$ 196,298.00	\$ 775,563.00	\$ -	\$ 971,861.00
4000.150000.000	Taxation	Taxation	\$ 13,082.02	\$ 181,239.79	\$ -	\$ 194,321.81	\$ 118,427.00	\$ 322,742.00	\$ -	\$ 441,169.00
4000.200000.000	Consumer Services/Complaints	Consumer Services/Complaints	\$ 295,386.62	\$ 329,303.54	\$ -	\$ 624,690.16	\$ 399,589.00	\$ 401,200.00	\$ -	\$ 800,789.00
4000.250000.000	Policy Forms And Rates	Policy Forms And Rates	\$ 874,887.67	\$ 271,386.08	\$ -	\$ 1,146,273.75	\$ 924,059.00	\$ 635,860.00	\$ -	\$ 1,559,919.00
4000.300000.000	Loss Mitigation	Loss Mitigation	\$ -	\$ 1,632,302.46	\$ -	\$ 1,632,302.46	\$ -	\$ 3,491,052.00	\$ -	\$ 3,491,052.00
4000.350000.000	Uninsured Motorists	Uninsured Motorists	\$ -	\$ 2,154,215.00	\$ -	\$ 2,154,215.00	\$ -	\$ 2,155,000.00	\$ -	\$ 2,155,000.00
4000.400000.000	Captives	Captives	\$ -	\$ 1,054,779.80	\$ -	\$ 1,054,779.80	\$ -	\$ 1,482,655.00	\$ -	\$ 1,482,655.00
4000.450000.000	Fraud	Fraud	\$ 1,110,497.50	\$ -	\$ -	\$ 1,110,497.50	\$ 1,771,502.50	\$ 382,000.00	\$ -	\$ 2,153,502.50
9500.050000.000	State Employer Contributions	State Employer Contributions	\$ 1,276,288.00	\$ 1,013,192.03	\$ -	\$ 2,289,480.03	\$ 1,223,224.00	\$ 1,454,533.00	\$ -	\$ 2,677,757.00

# FY2022

## Legal Data

as submitted for the Accountability Report by:  
R200 - DEPARTMENT OF INSURANCE

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
8-3-30	State	Statute	Provides the requirements for the bond for all public officials	Not related to agency deliverable		No Change
1-30-55	State	Statute	Transferred all rights and duties to the SCDOI as a part of the 1995 restructuring of state government	Requires a service	Protects insurance consumers	No Change
1-30-10	State	Statute	Names the agencies that are part of the executive branch of government	Not related to agency deliverable		No Change
8-3-10	State	Statute	The oath of office must be taken before the person can assume the duties of the office	Not related to agency deliverable		No Change
1-1-110	State	Statute	Establishes the South Carolina Department of Insurance as a part of the Executive Department	Requires a service	Most insurance statutes do not specify who the customer is. However, the Department is established to protect the insurance consumers.	No Change
1-23-10 et seq	State	Statute	Sets forth requirements for administrative agencies, rules, regulations and orders.	Not related to agency deliverable		No Change
18 USC 1033, 1034	Federal	Federal Statute	Individuals convicted of a crime involving dishonesty, breach of trust or a violation of the Act cannot work or continue to work in the insurance industry without receiving the written consent of the chief insurance regulatory official authorized to regulate the insurer. A prohibited person who continues to work or works without the written consent of the insurance commissioner risks federal criminal penalties. There is no automatic waiver or grandfather provisions.	Requires a service	Protects insurance consumers	No Change
38-10-10 et seq	State	Statute	Sets for the requirements for licensure of traditional protected cell companies not held by a captive insurance company; prescribes what protected cells are authorized to do and the attribution of assets and liabilities. Director may take regulatory action against a cell company that violates the provisions of the Code including fines, suspension, revocation, rehabilitation, liquidation or conservation.	Requires a service	Protects insurance consumers and licensees	No Change
38-1-10	State	Statute	Establishes the South Carolina insurance law; SCDOI charged with responsibility of enforcing the insurance laws of the state	Requires a service	Protects insurance consumers	No Change
38-1-20	State	Statute	Insurance Definitions for Title 38	Not related to agency deliverable		No Change
38-12-10 et seq	State	Statute	Sets forth the requirements for investments and the standards and requirements for the board of directors; establishes certain restrictions for investments by line of insurance and company type. Director has the discretion to review and approve investments.	Requires a service	Protects insurance consumers and licensees	No Change
38-13-10 et seq	State	Statute	Gives the director or designees the authority to conduct examinations of insurers and sets for the procedure that should be followed for the audit and the reporting of findings. Director and designees are provided qualified immunity. Cost of examinations are borne by insurers. Director also has the authority to investigate complaints filed by citizens. The Director has the authority to impose penalties for violations of the insurance laws. The director or his designee has the authority to require financial reporting on a quarterly and annual basis. The Director can request various other reports including special reports. Director may impose penalties for insurers' failure to provide reports or other requested information. Director shall examine the insurance reserve fund every three years and the unemployment compensation fund every five years.	Requires a service	Protects insurance consumers and licensees. Sections 38-13-80 and 38-13-85(a) was amended	Amended
38-14-10 et seq	State	Statute	Sets requirements for the licensure and transaction of business by Special Purpose Reinsurance Vehicle insurers. Director has the authority to take regulatory action against licensees for violations of the insurance laws.	Requires a service	Protects insurance consumers and licensees	No Change
38-15-10 et seq	State	Statute	Sets forth the for licensure and transaction of business by surety Insurers. The Director or designee may take regulatory action against licensee for violations of the insurance laws. Director may require reciprocals to provide security deposits as required of other insurers doing business in SC in accordance with the requirements of Chapter 9	Requires a service	Protects insurance consumers and licensees	No Change
38-17-10 et seq	State	Statute	Sets forth the requirements for licensure and transaction of business by reciprocal Insurers. The Director or designee may take regulatory action against licensee for violations of the insurance laws.	Requires a service	Protects insurance consumers and licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
38-19-10 et seq	State	Statute	Sets forth the requirements for licensure and transaction of business by mutual insurers. Also establishes requirements for proxies, meetings, membership and liability of members. Establishes the standards for liquidation, conversion or merger of a mutual insurer and rights of the members. The Director or designee may take regulatory action against licensee for violations of the insurance laws and is also given the authority to approve transactions related to the mutual's conduct of business in the state including proxies, mergers, acquisitions and other reorganizations of the mutual insurer.	Requires a service	Protects insurance consumers and licensees	No Change
38-2-10	State	Statute	Establishes certain administrative penalties for violations of the insurance laws	Requires a service	Protects insurance consumers	No Change
38-21-10 et seq	State	Statute	Sets for the standards for the director or his designee to approve a merger, acquisition or other acquisition of control. Defines the authority of insurers to organize or acquire subsidiaries as well as the requirements and conditions for such acquisitions. Also sets the standards for various filings including registration statements, Form A, disclaimers of control and Forms A through E filings. The Director has the authority to approve filings, acquisitions, seize securities, and seek injunction or criminal prosecution for violation of the chapter in addition to other regulatory action or penalties.	Requires a service	Protects insurance consumers and licensees	No Change
38-23-50 et seq	State	Statute	The director has the power to make and promulgate regulations necessary for the execution of the functions vested in him by Sections 38-23-20 through 38-23-90 including, but without limitation, regulations pertaining to and governing the solicitation of proxies, including financial reporting in connection therewith, with respect to the capital stock or other equity securities of any domestic stock insurer; he may, for these purposes, classify domestic insurers, securities, and other persons or matters within his jurisdiction. No provision of Sections 38-23-40 to 38-23-60 imposing any liability applies to any act done or omitted in good faith in conforming with any regulation of the department, notwithstanding that the regulation may, after the act or omission, be amended, rescinded, or determined by judicial or other authority to be invalid for any reason.	Requires a service	Protects insurance consumers and licensees	No Change
38-25-10 et seq	State	Statute	This chapter defines the unauthorized Transaction of Business and remedies and penalties for such violations. It also establishes certain exemptions for certain insurers. It sets forth the actions an unauthorized insurer may pursue such as motions or other legal actions. It also provides a procedure for the enforcement of foreign decrees.	Requires a service	Law is designed to protect the public	No Change
38-26-10 et seq	State	Statute	This chapter gives the director or his designee the authority to place insurers under Administrative Supervision. It sets for the requirements to take such action and provides limited liability for the director and his designees..	Requires a service	Protects insurance consumers and licensees	No Change
38-27-10 et seq	State	Statute	This chapter gives the director the authority to place insurers into rehabilitation and/or liquidation. These are judicial proceedings. The director is authorized to appoint special deputies and to hire the experts necessary to effectively administer the rehabilitation with the court's approval.	Requires a service	Protects insurance consumers and licensees	No Change
38-29-10 et seq	State	Statute	Sets forth the requirements for the administration and functions of the Life, Accident, Health Guaranty Association. The Association must submit plan of operation to the Department for approval.	Requires a service	Protects insurance consumers and licensees	No Change
38-3-100	State	Statute	Director of Insurance has no grievance rights; shall devote all time and energy to duties of his office and shall sever any and all ties with the insurance industry	Not related to agency deliverable		No Change
38-3-110	State	Statute	Sets for the duties of the Director of Insurance	Requires a service	Director enforces insurance laws for the benefit of the public	No Change
38-3-10 et seq	State	Statute	Sets forth the requirements for the creation, administration and functions of Property and Casualty Guaranty Association. Department reviews and approves amendments and modifications to the plan of operation.	Requires a service	Protects insurance consumers and licensees	No Change
38-3-120	State	Statute	Director must take an oath and secure a bond	Requires a service	Director must secure a bond; bond for protection of the public	No Change
38-3-130	State	Statute	Director may hire or appoint actuaries, examiners, clerks and other employees for the proper execution of the work of the Department.	Requires a service	Protects insurance consumers	No Change
38-3-140	State	Statute	Violations are deemed to have been committed at the Office of the Director in Columbia	Requires a service	Protects insurance consumers	No Change
38-3-150	State	Statute	Provides general information about who may conduct investigations or hearings	Requires a service	Protects insurance consumers	No Change
38-3-160	State	Statute	Director, agents or assistants shall administer all required oaths	Not related to agency deliverable		No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
38-3-170	State	Statute	Provides the requirements for hearing notices	Requires a service	Protects insurance consumers and licensees	No Change
38-3-180	State	Statute	The Director or his assistants or agents appointed to conduct examinations may summon and compel the attendance or witnesses as a part of any insurance examination or investigation and to hold witnesses failing or refusing to answer in contempt. Director and agents may administer oaths and false testimony is considered perjury.	Requires a service	Protects insurance consumers and licensees	No Change
38-3-190	State	Statute	SCDOI may pay witnesses mileage	Not related to agency deliverable		No Change
38-3-200	State	Statute	Orders must be written and signed by the director or his designee to be effective	Requires a service	Protects insurance consumers and licensees	No Change
38-3-210	State	Statute	Orders or decisions are subject to judicial review in accordance with the procedures of the Administrative Law Division	Requires a service	Protects insurance consumers subject licensees	No Change
38-3-220	State	Statute	Documents executed by the director shall have upon them the state seal and copies of them shall have the same force and effect as the originals.	Requires a service	Protects insurance consumers director licensees	No Change
38-3-230	State	Statute	Any license issued with the Department seal is evidence that the licensee has the authority to do business in this state	Requires a service	Protects insurance consumers the licensees	No Change
38-33-10 et seq	State	Statute	Sets forth the requirements for licensure and regulation of health maintenance Organizations transacting business in South Carolina. The Director has the authority to license, examine, monitors its operations and to impose or take regulatory action based upon an impaired financial condition or violation of the insurance laws of the state.	Requires a service	Protects insurance consumers and licensees	No Change
38-3-40	State	Statute	Establishes the Department of Insurance and the position of Director of Insurance	Requires a service	Enforce insurance laws	No Change
38-3-40	State	Statute	Sets compensation parameters for the Director of Insurance	Not related to agency deliverable		No Change
38-35-10 et seq	State	Statute	Provides for the formation and conduct of mutual benevolent aid associations and their regulation.	Requires a service	Protects insurance consumers and licensees	No Change
38-3-60	State	Statute	Sets the general authority for the Director of Insurance; Directors and designees must follow the general policies and broad objectives established by the General Assembly for the operation of the insurance industry	Requires a service	The public is the DOI customer	No Change
38-3-80	State	Statute	Provides for the Department seal	Not related to agency deliverable		No Change
38-38-10 et seq	State	Statute	Any incorporated society, order, or supreme lodge, without capital stock, whether incorporated or not, conducted solely for the benefit of its members and their beneficiaries and not for profit, operated on a lodge system with ritualistic form of work, having a representative form of government, and which provides benefits in accordance with this chapter, is a fraternal benefit society.	Requires a service	Protects insurance consumers and licensees	No Change
38-39-10 et seq	State	Statute	Sets forth the Licensing requirements, administration and regulation of insurance Premium Service Companies. Director has the authority to take regulatory action for violations of the insurance laws.	Requires a service	Protects insurance consumers and licensees	No Change
38-41-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of Multiple Employer Self-Insured Health Plans. Director has the authority to approve licensure, the plan of operation, conduct of business and to impose regulatory penalties for violations of the insurance laws.	Requires a service	Protects insurance consumers and licensees	No Change
38-43-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of Insurance Producers and Agencies. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license.	Requires a service	Protects insurance consumers and licensees	No Change
38-44-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of Insurance managing general agents. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license.	Requires a service	Protects insurance consumers and licensees	No Change
38-45-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of Insurance brokers. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license. Licensing requirements, administration and regulation of Brokers and Surplus Lines. Director may enter into agreements to participate in a clearinghouse subject to General Assembly approval for the distribution of broker premium taxes.	Requires a service	Protects insurance consumers and licensees	No Change
38-46-10 et seq	State	Statute	Sets forth Licensing requirements, administration and regulation of Reinsurance Intermediaries.	Requires a service	Protects insurance consumers and licensees	No Change



Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
38-47-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of insurance adjusters. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license.	Requires a service	Protects insurance consumers and licensees	No Change
38-48-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of insurance adjusters. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license.	Requires a service	Protects insurance consumers and licensees	No Change
38-49-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of motor vehicle physical damage appraisers. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license..	Requires a service	Protects insurance consumers and licensees	No Change
38-5-10 et seq	State	Statute	Sets forth the requirements for insurers to do business in the State of South Carolina including but not limited to appointment of the director as the attorney for service of process; requirements for issuance of a license including the qualifications of management; grounds for disciplinary action against insurers for violation of the insurance laws including fines, suspensions and revocations of the certificate of authority.	Requires a service	Protects insurance consumers and licensees	No Change
38-51-10 et seq	State	Statute	Set forth the licensing requirements, administration and regulation of third party administrators. Director has the authority to approve licensure, conduct business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license.	Requires a service	Protects insurance consumers and licensees	No Change
38-53-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of bail bondsmen. Director has the authority to approve licensure, conduct business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license. The Department must suspend bondsmen who make attorney referrals.	Requires a service	Protects insurance consumers and licensees	Amended
38-55-10 et seq	State	Statute	Sets forth guidelines for conducting insurance business and the authority of the director to revoke the license of insurers who engage in unfair discrimination	Requires a service	Protects insurance consumers and licensees	No Change
38-57-10 et seq	State	Statute	Sets forth the requirements for insurer trade practices; director has the authority to issue cease and desist orders and to otherwise take regulatory action.	Requires a service	the public is the DOI customer	Amended
38-59-10 et seq	State	Statute	Sets forth the requirements for insurer claims practices; defines bad faith and prompt pay guidelines and requirements.	Requires a service	Protects insurance consumers and licensees	No Change
38-61-10 et seq	State	Statute	Sets forth the requirements for approval of insurance contracts or forms. All forms must be approved by the director or his designee unless exempted from prior approval. The Director may disapprove or withdraw approval of forms subject to the procedure outlined in the chapter.	Requires a service	The public is the DOI customer	No Change
38-63-10 et seq	State	Statute	Sets forth the requirements for Individual Life Insurance, forms, regulation, premiums, etc.	Requires a service	Protects insurance consumers and licensees	No Change
38-65-10 et seq	State	Statute	Sets forth the requirements for Group Life Insurance, forms, regulation, premiums, etc.	Requires a service	Protects insurance consumers and licensees	No Change
38-67-10 et seq	State	Statute	Sets guidelines for the regulation of variable annuities	Requires a service	Protects insurance consumers and licensees	No Change
38-69-10 et seq	State	Statute	Sets for the requirements and guidelines for regulation of individual annuities.	Requires a service	Protects insurance consumers and licensees	No Change
38-70-10 et seq	State	Statute	Sets for the licensing requirements, administration and regulation of Utilization Reviews and Private Review Agents. Director has authority to conduct periodic reviews of operations and to take regulatory action for violations of the insurance laws.	Requires a service	Protects insurance consumers and licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
38-7-10 et seq	State	Statute	Sets forth the fees and taxes to be paid by licensees for the transaction of insurance business in this state and how those fees are to be distributed; it sets forth the premium tax companies are required to pay by line of insurance and the requirements for annual and quarterly premium tax returns; establishes penalties for the filing of fraudulent returns, keeping records or paying taxes when due; establishes requirements for retaliatory taxes, penalties and fees as well; insurers may pay taxes under protest; SC may bring an action for collection of taxes within 10 years; all taxes and fees must be deposited in the general fund unless otherwise noted. Licensees that fail to pay taxes with intent evade are guilty of a misdemeanor. Such violations are subject to fines, penalties and interest and possibly imprisonment. The director has the authority to waive penalties, but must make a record of the reasons for waiver. Insurers may be eligible for certain tax credits under Title 12, if applicable.	Requires a service	Protects insurance consumers and licensees	No Change
38-71-10 et seq	State	Statute	Provides for the regulation of types of coverages, policies for specific ailments, continuation of care, etc. for Accident and Health insurance. The Director must also approve IROs to conduct external review of health insurance claims.	Requires a service	Protects insurance consumers and licensees	Amended
38-72-10 et seq	State	Statute	Sets forth the requirements, regulation and approval of Long Term Care products.	Requires a service	Protects insurance consumers and licensees	No Change
38-73-10 et seq	State	Statute	Sets forth the requirements for property, casualty, inland marine, and surety rates and rate-making Organizations, regulation of, examinations of, etc. Director must conduct reviews of independent rating organizations; sets hearing procedure for certain rates; may declare certain lines of insurance competitive or not; establishes a consumer information system for rate information; etc.	Requires a service	Protects insurance consumers and licensees	Amended
38-74-10 et seq	State	Statute	Provides for the establishment, eligibility for and administration of Health Insurance Pool which is the state's high risk pool for individual who are unable to obtain coverage in the voluntary market. The Director reviews the plan of operation and must approve assessments.	Requires a service	the public is the DOI customer	No Change
38-75-10 et seq	State	Statute	Sets forth the requirements for regulation of Property, Casualty and Title Insurance policies and coverages. Provides for the establishment and operation of the Wind Pool; the director has the authority to expand the area covered by the wind pool; establishes a loss mitigation grant program within the DOI; the Director must report within 30 days any need for expansion of the wind pool territory and conduct certain property studies.	Requires a service	Protects insurance consumers and licensees	No Change
38-77-10 et seq	State	Statute	Governs the regulation of automobile insurance, arbitration, assignment of risks, etc. The Director or his designee have the authority to ensure that insurers and agents comply with the requirements of this chapter and South Carolina law. Director also has the authority to disperse uninsured motorist funds.	Requires a service	Protects insurance consumers and licensees	No Change
38-78-10 et seq	State	Statute	This chapter governs the licensing requirements, administration and regulation of Service Contracts and service contract providers.	Requires a service	Protects insurance consumers and licensees	No Change
38-79-10 et seq	State	Statute	Sets forth the requirements governing medical malpractice judgments, settlements, etc.; establishes the residual market mechanisms for medical malpractice insurance i.e., JUA and PCF	Requires a service	the public is the DOI customer. Section 38-79-200 was amended	Amended
38-81-10 et seq	State	Statute	Reporting requirements and Legal Professional Liability Insurance Joint Underwriting Association. This Association is inactive.	Requires a service	Protects insurance consumers and licensees	No Change
38-83-10 et seq	State	Statute	Organization, coverage and regulation of Joint Underwriting Association for Writing of Professional Liability Insurance. This JUA is inactive.	Requires a service	Protects insurance consumers and licensees	No Change
38-85-10 et seq	State	Statute	Sets forth requirements for insurers participation in consolidation and mortgage insurance.	Requires a service	Protects insurance consumers and licensees	No Change
38-87-10 et seq	State	Statute	Sets forth the requirements for licensing, administration and regulation/taxation of Risk Retention Groups and Purchasing Groups.	Requires a service	Protects insurance consumers and licensees	No Change
38-89-10 et seq	State	Statute	Creation, administration and regulation of Day Care Joint Underwriting Association. Association is inactive.	Requires a service	Protects insurance consumers and licensees	No Change
38-90-10 et seq	State	Statute	Licensing requirements, administration and regulation of Captive Insurance Companies.	Requires a service	Protects insurance consumers and licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
38-9-10 et seq	State	Statute	Sets forth capital and surplus requirements of stock and mutual insurers by line of insurance; director shall notify insurers of capital and surplus requirements; director has the discretion to increase capital and surplus above the statutory minimums based on business plans and line of coverage; the director may take regulatory action against insurers that have impaired capital and surplus or fail to meet the minimum requirements; director may hold deposits of insurers that transact business in other states; and set forth the requirements for securities for claims, voluntary deposits, RBC and reserves. The director may retain experts necessary to evaluate the financial condition of a company and those costs are to be borne by the insurer. Certain financial reports are given confidential treatment. The director and designees are given qualified immunity for actions related to RBC.	Requires a service	Protects insurance consumers and licensees. Sections 38-9-210 and 38-9-220 were amended.	Amended
38-93-10 et seq	State	Statute	Sets forth the requirements for the regulation genetic information. Director can penalize members for violating the provision of the chapter.	Requires a service	The public is the DOI customer	No Change
38-95-10 et seq	State	Statute	Establishment, regulation and administration of Interstate Insurance Product Regulation Compact.	Requires a service	The public is the DOI customer	Repealed
38-97-10 et seq	State	Statute	Licensing requirements, administration and regulation of Portable Electronics insurance. Director can impose penalties for violations of the law	Requires a service	Protects insurance consumers and licensees	No Change
38-99-10 et seq.	State	Statute	Establishes standards to protect insurance data and notification requirements for cybersecurity events	Requires a service		No Change
69-1	State	Regulation	Adjustment of Claims Under Unusual Circumstances	Requires a service	The public is the DOI customer	No Change
69-10	State	Regulation	Premium Service Companies	Requires a service	Protects insurance consumers Broker licensees	No Change
69-11.1	State	Regulation	Regulation of Credit Insurance	Requires a service	The public is the DOI customer	No Change
69-12	State	Regulation	Variable Contracts	Requires a service	The public is the DOI customer	No Change
69-12.1	State	Regulation	Replacement of Life Insurance and Annuities	Requires a service	The public is the DOI customer	No Change
69-13-.3	State	Regulation	Uniform Class and Territory Plan - Motorcycles	Requires a service	Protects insurance consumers Plan licensees	No Change
69-14	State	Regulation	Insurance Holding Company Systems	Requires a service		No Change
69-15	State	Regulation	South Carolina Deposits Required of Insurers	Requires a service	the public is the DOI customer	No Change
69-18	State	Regulation	Title Insurance	Requires a service	Protects insurance consumers Broker licensees	No Change
69-20	State	Regulation	Campus Life Insurance	Requires a service	Protects insurance consumers Broker licensees	No Change
69-22	State	Regulation	Health Maintenance Organizations	Requires a service	Protects insurance consumers Broker licensees	No Change
69-23	State	Regulation	Adjuster, Public Adjuster, Appraiser, Broker, Bondsmen, Runner, Producer and Agency Licenses	Requires a service	Protects insurance consumers Broker licensees	No Change
69-24	State	Regulation	Workmen's Compensation - Dividends to Policyholders	Requires a service	The public is the DOI customer	No Change
69-25	State	Regulation	Prohibition Against Decreases in Income Benefits from Group Disability Policies due to Increases in Social Security Benefits	Requires a service	The public is the DOI customer	No Change
69-27	State	Regulation	Guaranty Act - Applicability	Requires a service	The public is the DOI customer	No Change
69-29	State	Regulation	Suitability in Annuity Transactions	Requires a service	The public is the DOI customer	No Change
69-3	State	Regulation	Definitions	Not related to agency deliverable		No Change
69-30	State	Regulation	Life Insurance Disclosure Regulation	Requires a service	The public is the DOI customer	No Change
69-31	State	Regulation	Practice and Procedure for Hearings before the Chief Insurance Commissioner under the State Administrative Procedures Act, Act No. 176 of 1977	Requires a service	The public is the DOI customer	No Change
69-32	State	Regulation	Unfair Discrimination on the Basis of Blindness or Partial Blindness	Requires a service	Protects insurance consumers Basis licensees	No Change
69-33	State	Regulation	Dates for Payments of License Fees/Appointment Fees for Adjusters, Agencies, Bail Bondsmen/Runners, Brokers, Motor Vehicle Physical Damage Appraisers, Premium Service Companies, Producer Appointments, Producers, Public Adjusters, Rental Car Companies, Service Contract Providers, Third Party Administrators and Utilization Review Agents	Requires a service	Collections mostly for the General Fund	No Change
69-34	State	Regulation	Individual Accident and Health Insurance Minimum Standards	Requires a service	The public is the DOI customer	No Change
69-34.1	State	Regulation	Accident and Health Insurance Solicitations	Requires a service	The public is the DOI customer	No Change
69-34-.2	State	Regulation	Replacement of Accident and Health Insurance	Requires a service	The public is the DOI customer	No Change
69-36	State	Regulation	Procedure for Permitting Same Minimum No forfeiture Standards for Men and Women Under 1980 CSO and CET Mortality Tables	Requires a service	The public is the DOI customer	No Change
69-37	State	Regulation	Annuity Mortality Tables for Use in Determining Reserve Liabilities for Annuities	Requires a service	The public is the DOI customer	No Change
69-38	State	Regulation	Regulation Permitting Smoker/Nonsmoker Mortality Tables for Use in Determining Minimum Reserve Liabilities and No forfeiture Benefits	Requires a service	The public is the DOI customer	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
69-39	State	Regulation	Annuity Disclosure Regulation	Requires a service	The public is the DOI customer	No Change
69-4	State	Regulation	Life, Accident and Health Insurance - Reserve Tabulations	Requires a service	The public is the DOI customer	No Change
69-40	State	Regulation	Life Insurance Policy Illustration Rules	Requires a service	Protects insurance consumers Rules licensees	No Change
69-40.1	State	Regulation	Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities	Requires a service	Protects insurance consumers Certifications licensees	No Change
69-41	State	Regulation	Prepaid Dental Service	Requires a service	The public is the DOI customer	No Change
69-42	State	Regulation	Multiple Employer Self-Insured Plans	Requires a service	The public is the DOI customer	No Change
69-43	State	Regulation	Group Health Insurance Coordination of Benefits	Requires a service	The public is the DOI customer	No Change
69-44	State	Regulation	Long Term Care Insurance	Requires a service	The public is the DOI customer	No Change
69-45	State	Regulation	Data Reporting and Determination of Excess Profits	Requires a service	The public is the DOI customer	No Change
69-46	State	Regulation	Medicare Supplement Insurance	Requires a service	The public is the DOI customer	No Change
69-47	State	Regulation	Private Review Agents	Requires a service	Protects insurance consumers	No Change
69-48	State	Regulation	Life and Health Reinsurance Agreements	Requires a service	Protects insurance consumers	No Change
69-5	State	Regulation	Policy Approvals	Requires a service	The public is the DOI customer	No Change
69-5.1	State	Regulation	Minimum Standards for the Readability of Commonly Purchased Insurance Policies	Requires a service	The public is the DOI customer	No Change
69-50	State	Regulation	Continuing Insurance Education	Requires a service	Protects insurance consumers	No Change
69-52	State	Regulation	Actuarial Opinion and Memorandum Regulation	Requires a service	Protects insurance consumers	No Change
69-53	State	Regulation	Credit for Reinsurance	Requires a service	Protects insurance consumers	No Change
69-54	State	Regulation	Experience Modification for Staff Leasing Services Companies in the Workers Compensation Assigned Risk Plan	Requires a service	Protects insurance consumers	No Change
69-56	State	Regulation	Named Storm or Wind/Hail Deductible	Requires a service	Protects insurance consumers	No Change
69-57	State	Regulation	Valuation of Life Insurance Policies	Requires a service	Protects insurance consumers	No Change
69-57.1	State	Regulation	Recognition of the 2001 CSO Mortality Table for Use in Determining Minimum Reserve Liabilities and No forfeiture Benefits	Requires a service	Protects insurance consumers	No Change
69-57.2	State	Regulation	Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities	Requires a service	Protects insurance consumers	No Change
69-57.3	State	Regulation	Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and No forfeiture Values	Requires a service	Protects insurance consumers	No Change
69-58	State	Regulation	Privacy of Consumer Financial and Health Information	Requires a service	Protects insurance consumers and beneficiaries	No Change
69-6	State	Regulation	Brokers Licenses	Requires a service	Protects insurance consumers Broker licensees	No Change
69-60	State	Regulation	Captive Insurance Companies	Requires a service	Protects insurance consumers	No Change
69-61	State	Regulation	Service Contracts	Requires a service	Protects insurance consumers	No Change
69-62 et seq	State	Regulation	Closeout and Termination of the SCAAIP	Requires a service	Protects insurance consumers	No Change
69-63	State	Regulation	South Carolina Reinsurance Facility Recoupment	Requires a service	Protects insurance consumers	No Change
69-64	State	Regulation	Exempt Commercial Policies	Requires a service	Protects insurance consumers	No Change
69-65	State	Regulation	Military Sales Practices	Requires a service	Protects insurance consumers	No Change
69-7	State	Regulation	Minimum Reserve Standards for Individual and Group Accident and Health Insurance Contracts	Requires a service	The public is the DOI customer	No Change
69-70	State	Regulation	Annual Audited Financial Reporting Regulation	Requires a service	Protects insurance consumers	No Change
69-75	State	Regulation	Tax Credits for Fortification Measures	Requires a service	Protects insurance consumers	No Change
69-76	State	Regulation	Safe Home Program Wind Inspectors and Contractors	Requires a service	Protects insurance consumers	No Change
69-8	State	Regulation	Reserves for Mortgage Guaranty Insurance	Requires a service	The public is the DOI customer	No Change
69-9	State	Regulation	Proxies, Consents and Authorizations of Domestic Insurers	Requires a service	Protects insurance consumers of licensees	No Change
8-13-10 et seq	State	Statute	Sets forth the ethical requirements for public officers and employees; it defines the appropriate conduct for public employees that regulate certain industries.	Requires a service	Protects insurance consumers	No Change
8-17-10 et seq	State	Statute	Sets forth the grievance procedures that must be followed by agencies for public employees; it defines those actions that are and are not grievable actions	Requires a service	Public employees are protected by this statute	No Change
Act No. 100/H.3900	State	Statute	This legislation gives podiatrists the ability to administer the COVID-19 vaccine subject to certain conditions.	Requires a service	COVID-19 Administration: Podiatrists Actuarial and Product Regulation	No Change
Act No. 27/H.3101	State	Statute	•This Act sets forth the requirements for the disposition of a motor vehicle subject to an insurance claim by a salvage pool operator where the insurance company denies coverage for the motor vehicle or does not take ownership of the vehicle.	Not related to agency deliverable	Motor Vehicle Salvage This legislation is enforced by the South Carolina Department of Motor Vehicles. However, it will impact the work of: •Office of Consumer Services	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
Act No. 33/S.623	State	Statute	<p>•Before this amendment, Section 38-73-910 addressed both insurance products that were subject to prior approval and automobile insurance rate filings that were subject to flex-rating or modified file and use. Senator Hutto proposed that this section be cleaned up to clarify its application.</p> <p>oSection 38-73-910 has been amended to clarify its application. It applies to all property and casualty insurance coverage rate filings except those governed by Section 38-73-905 (automobile), 38-73-220 and 38-73-260 (property or homeowners).</p> <p>oRate filings for workers compensation, inland marine, liability, etc. are all subject to prior approval and governed by this provision.</p> <p>oSection B applies to workers compensation insurance coverages.</p> <p>oIt deletes the references to automobile insurance coverage that were previously included in this bill.</p> <p>oIt also provides that the director can issue a written notice of disapproval if a filing does not comply with the provisions of chapter 73.</p> <p>oThe amendments make clear that this section does not apply to exempt commercial policies. It also provides that commercial rate, rule of form filings must comply with applicable regulations and other provisions of Title 38.</p> <p>•The amendment to S.623 pulls automobile insurance ratemaking out of Section 38-73-910 and places it in new Section 38-73-905.</p> <p>oSection 38-73-905 address automobile insurance rates only. It permits automobile insurers a maximum of two rate increases per year.</p> <p><input type="checkbox"/> A Rate increase request within the 7% percent limitation may take effect on a file and use basis i.e., the Department has 30 days to object to a rate increase or it becomes effective. As a practical matter, the Department reviews all rate filings submitted to the Department to ensure they do not produce rates that are excessive, inadequate or unfairly discriminatory. With file and use rate filings, they must conduct that review within 30 days.</p> <p>•If an insurer requests more than one rate increase within the 7% limitation, the second request is subject to prior approval.</p> <p>•If an insurer asks for a rate increase in excess of 7%, it is subject to prior approval.</p> <p><input type="checkbox"/> Automobile insurance is no longer subject to the one rate increase requirement in a 12-month period set forth in Section 38-73-920. However, to be approved insurers will have to prove that rate increase requests are not excessive, inadequate or unfairly discriminatory.</p> <p>•This section does not apply to commercial rate or rule filings. However, those filings must comply with other regulations and applicable provisions of Title 38.</p>	Requires a service	<p>Automobile Insurance Rate Filings Limitations</p> <p>The following business units will be impacted by this legislation:</p> <ul style="list-style-type: none"> <li>•Actuarial and Product Regulation</li> <li>•Consumer Services</li> <li>•Office of General Counsel</li> </ul>	No Change
Act No. 50/S.435	State	Statute	<p>This Act permits the licensure of producers that provide travel insurance. It permits any producer licensed for any major line of authority to sell travel insurance if appointed by the insurer. Licensed MGAs and MGAs are also authorized to sell travel insurance by the Limited Lines Travel Insurance Act. The Act also adds travel insurance to the definition of inland marine insurance; specifies the requirements for the forms and rates and provides that the producer is responsible for the acts of the travel insurance retailer; sets forth the requirements for cancellation of the policy; defines what constitutes unfair trade practices, etc. The director may institute administrative disciplinary action in accordance with Section 38-2-10 against the retailer or the producer's license for violations of the article after an opportunity for a hearing. Insurers underwriting travel insurance products are responsible for the actions of the travel administrator.</p> <p>Travel insurers are required to pay premium taxes under Section 38-7-20.</p>	Requires a service	<p>Limited Lines Travel Insurance</p> <p>This legislation impacts the work of :</p> <ul style="list-style-type: none"> <li>•Taxation/Accounting</li> <li>•Office of Consumer Services</li> <li>•Product Regulation</li> <li>•Office of General Counsel</li> </ul>	No Change
Act No. 62/S.658	State	Statute	<p>This legislation defines the rights of secondary beneficiaries for public employee benefits.</p>	Requires a service	<p>Retirement systems/Secondary beneficiaries</p> <p>Human Resources</p>	No Change
Act No. 85/S. 631	State	Statute	<p>This legislation sets forth the requirements for becoming an electronic notary. Electronic notaries must apply, register with the Secretary of State's office, take an electronic notary course and pay a \$50 registration fee. Electronic notarizations are permitted if the principal appears in front of the electronic notary public and is known or identified by satisfactory evidence. Electronic notary must comply with the rules set forth in Title 26. Electronic notarizations must also include a certification.</p>	Requires a manner of delivery	<p>Electronic Public Notary Act</p> <p>All business units that require notarized documents</p>	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
Act No. 99/S.147	State	Statute	This legislation provides immunity for health care providers and businesses that follow public health guidance. Immunity does not apply to gross negligence, reckless, wilful or intentional misconduct; failure to adhere to public guidance, etc. The legislation is not to be interpreted as an exclusion or a waiver of any defenses that may exist under the law.	Requires a service	COVID Liability Safe Harbor Act	No Change
Act No.13/H.3585	State	Statute	<ul style="list-style-type: none"> <li>•Eliminates the requirement for an order when the Director promulgates an emergency regulation.</li> <li>•Amends the examination statute to allow the Department to send an examination report electronically or by US mail in addition to certified mail requirement option.</li> <li>•Clarifies the date (March 1st) that professional bondsmen must submit their financial statements to the department.</li> <li>•Adds a new section, similar to the market withdrawal notice in Chapter 71, for other insurers to notify the Department of decisions to terminate a line or block of business for the purpose of withdrawing from the market. Health insurance issuers must follow the requirements set forth in Chapter 71.</li> <li>•Amends this section to provide policy language for claims payments for individual major medical policies subject to HIPAA.</li> <li>•Amends this section to make cancellation notices for workers compensation consistent with this section and specify that the notice must also be delivered to the South Carolina Workers Compensation Commission.</li> <li>•Eliminates the notice timeframes for hurricane season and provide a consistent 60-day notice requirement for nonrenewal of certain property policies</li> <li>•Amends this section to eliminate the requirement for insurers to provide a list of underwriting restrictions each year. This section will be amended to provide the Director may request listing of underwriting restrictions and insurer must provide notice of new changes to underwriting restrictions in 45 days.</li> <li>•Adds a new section to request list of underwriting restrictions for auto insurance policies similar to the changes described above for property policies in Section 38-75-1240.</li> </ul>	Requires a manner of delivery	SCDOI Clean-up Bill This legislation impacts various units of the Department including: <ul style="list-style-type: none"> <li>•Director's office</li> <li>•Examinations</li> <li>•Specialty Licensing</li> <li>•Actuarial and Product Regulation</li> <li>•Office of General Counsel</li> </ul>	No Change
Act No.14/H.3587	State	Statute	•This Act adds the definition of reduction of coverage to Chapter 77. The notice of cancellation or nonrenewal provisions do not apply to reductions in coverage. An insurer must provide notice of a reduction in coverage 15 days prior to the effective date of the renewal. The language in the statute also specifies the language that must be included in the notice. Notices of reduction in coverage must be provided to the Director up on request. The Director has the authority to order the insurer to provide the renewal without the reduction in coverage if the insurer fails to meet the requirements of this section.	Requires a manner of delivery	Reduction in Coverage <ul style="list-style-type: none"> <li>•Product Regulation</li> <li>•Consumer Services</li> <li>•Office of General Counsel</li> </ul> Note: The Director or his designee may issue guidance to the industry regarding the form and content of the reduction in coverage.	No Change
Affordable Care Act	Federal	Federal Statute	Provisions included in the ACA are intended to expand access to insurance, increase consumer protections, emphasize prevention and wellness, improve quality and system performance, expand the health workforce, and curb rising health care costs. The ACA establishes standards for health insurance policies sold and the rates charged in all states.	Requires a service	Protects insurance consumers	No Change
Employee Retirement Income Security Act of 1974	Federal	Federal Statute	ERISA outlines minimum federal standards for private employer-sponsored benefits such as requiring a plan administrator to provide a summary of plan benefits to employees, file annual reports, maintain procedures for claiming benefits and provide administrative and judicial remedies for beneficiaries. HIPAA was enacted to address concerns that insured persons have about losing their coverage if they change jobs or health plans. HIPAA established federal requirements to ensure the availability and renewability of coverage for certain employees and other persons under certain circumstances.	Requires a service	Protects insurance consumers	No Change
Gramm-Leach-Bliley	Federal	Federal Statute	The Gramm-Leach-Bliley Act broke down the barriers in statutes between banking and insurance. It made it possible for banks to own insurance companies and insurance companies to own banks. It recognized insurance as a financial product. It sets forth specific requirements for financial transactions. It also requires many companies to give consumers privacy notices that explain the institutions' information-sharing practices	Requires a service	Protects insurance consumers	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
Health Insurance Portability and Accountability Act (1996)	Federal	Federal Statute	The Health Insurance Portability and Accountability Act (HIPAA) of 1996 (P.L. 104-191) amends the Internal Revenue Code of 1986 and is designed to improve the portability and continuity of health insurance coverage in the group and individual health insurance markets; combat waste, fraud and abuse in health insurance and health care delivery; promote the use of medical savings accounts; improve access to long-term care services and coverage and simplify the administration of health insurance. It contains standards for the electronic health information transactions; requires providers and health plans to use the standards for the specified electronic transactions; requires privacy standards to be enacted; and specifies the situations where state law may be preempted and the penalties that may be imposed for violations.	Requires a service	Protects insurance consumers	No Change
McCarran-Ferguson Act	Federal	Federal Statute	The McCarran-Ferguson Act of 1945 (15 U.S.C.A. § 1011 et seq.) gives states the authority to regulate the "business of insurance" without interference from federal regulation, unless federal law specifically provides otherwise. The act provides that the "business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business." Congress passed the McCarran-Ferguson Act primarily in response to the Supreme Court case of United States v. South-Eastern Underwriters Ass'n, 322 U.S. 533, 64 S. Ct. 1162, 88 L. Ed. 1440 (1944).  The McCarran-Ferguson Act provides that state law shall govern the regulation of insurance and that no act of Congress shall invalidate any state law unless the federal law specifically relates to insurance. The act thus mandates that a federal law that does not specifically regulate the business of insurance will not preempt a state law enacted for that purpose. A state law has the purpose of regulating the insurance industry if it has the "end, intention or aim of adjusting, managing, or controlling the business of insurance" (U.S. Dept. of Treasury v. Fabe, 508 U.S. 491, 113 S. Ct. 2202, 124 L. Ed. 2d 449 [1993]).	Requires a service	Protects insurance consumers	No Change
Mental Health Parity Act of 1996	Federal	Federal Statute	The Mental Health Parity Act of 1996 requires that mental health benefits included in employer-sponsored health coverage cannot have annual or lifetime dollar limits on mental health benefits that are lower than any such dollar limits for medical and surgical benefits. The law does not apply to (1) coverage sponsored by a small business with 50 or fewer employees and (2) coverage sponsored by larger businesses that experience an increase in total claims costs of at least 1 percent as a result of complying with the act. The health coverage may still contain other limits, such as those on the number of days or visits covered	Requires a service	Protects insurance consumers	No Change
Newborns' and Mothers' Health Protection Act of 1996	Federal	Federal Statute	This statute requires that employer-sponsored health coverage that includes hospital stays in connection with childbirth must cover a minimum length of stay for mothers and newborns following delivery. For vaginal deliveries, the coverage provided cannot restrict hospital stays to less than 48 hours; for caesarean births, the coverage provided cannot restrict hospital stays to less than 96 hours.	Requires a service	Protects insurance consumers	No Change
Pregnancy in Discrimination Act	Federal	Federal Statute	The Pregnancy Discrimination Act 12 requires businesses with 15 or more employees to cover expenses for pregnancy and medical conditions related to pregnancy on the same basis as coverage for other medical conditions.	Requires a service	Protects insurance consumers requires licensees	No Change
Privacy Act of 1974	Federal	Federal Statute	The Privacy Act of 1974 is a code of fair information practices which mandates how Government agencies maintain records about individuals. The Privacy Act requires that Government agencies: collect only information that is relevant, accurate, complete, and necessary to carry out an agency function; maintain no secret records on individuals. The Privacy Act only applies to Government records that contain information on individuals, are maintained by a Government agency or its contractors in an approved system of records, and are retrieved by a personal identifier, such as a person's name, Social Security Number, medical record number or other unique identifier.	Requires a service	Protects insurance consumers	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2022
Sarbanes-Oxley	Federal	Federal Statute	The Sarbanes-Oxley Act created new standards for corporate accountability as well as new penalties for acts of wrongdoing. It changes how corporate boards and executives must interact with each other and with corporate auditors. It removes the defense of "I wasn't aware of financial issues" from CEOs and CFOs, holding them accountable for the accuracy of financial statements. The Act specifies new financial reporting responsibilities, including adherence to new internal controls and procedures designed to ensure the validity of their financial records.	Requires a service	Protects insurance consumers	No Change
Terrorism Risk in Insurance Act	Federal	Federal Statute	TRIA establishes a program authorizing the federal government to cover a substantial portion of losses caused by a terrorist attack. The Terrorism Risk Insurance Act of 2002, Pub. L. No. 107-297, 116 Stat. 2322 covers up to \$100 billion in total insured losses. The Act also creates certain requirements for insurers and is likely to affect upcoming insurance renewals and premium rates.	Requires a service	Protects insurance consumers and licensees	No Change
Women's Health and Cancer Rights Act of 1998	Federal	Federal Statute	The Women's Health and Cancer Rights Act of 1998 requires that employer-sponsored health coverage that provides coverage for mastectomies also cover related reconstructive surgery and other mastectomy-related benefits, such as coverage for prostheses and physical complications (including lymphedemas).	Requires a service	Protects insurance consumers	No Change



# FY2022

## Services Data

as submitted for the 2022 Accountability Report by:

### R200 - DEPARTMENT OF INSURANCE

Description of Service	Description of Direct Customer	Customer Name	Others Impacted by Service	Division or major organizational unit providing the service.	Description of division or major organizational unit providing the service.	Primary negative impact if service not provided.	Changes made to services during FY2022	Summary of changes to services
Respond to inquiries, complaints, and allegations of unfair trade practices, unapproved rates or forms, unfair claims practices, or violation of SC insurance laws.	Citizens	Policy Holders	N/A-Same	SC DOI (R200)	(Consumer Services) Citizens	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
When complaints or allegations are reported, an analysis is conducted to determine if unfair practices are occurring.	DOI Units, citizens, NAIC, MAWG, companies, insurers	Policy Holders	DOI Units, NAIC, MAWG, companies, insurers	SC DOI (R200)	(Market Regulation) DOI Units, citizens, NAIC, MAWG, companies, insurers	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Conduct comprehensive examinations of primarily SC domestic insurance companies and foreign examinations as needed.	Insurance companies licensed in SC, policy holders of the insurers, and insurance companies	Policy Holders	Insurance Companies	SC DOI (R200)	(Financial Examinations) Insurance companies licensed in SC, policy holders of the insurers, and insurance companies	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Review financial statements of licensed SC insurers to monitor compliance. Licenses are tracked and usage documented. Review admission applications and make sure insurers maintain the mandated security deposit.	Insurance companies licensed in SC, policy holders of the insurers, and insurance companies	Policy Holders	Insurance Companies	SC DOI (R200)	(Financial Analysis) SC licensed insurance companies, policy holders, and insurance companies	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Issue captive licenses. Provide financial surveillance of captives. Monitor market conditions and the business climate necessary to develop the alternative risk market.	All Captive Companies	Captive Companies	N/A-Same	SC DOI (R200)	(Captive Regulation) All Companies	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Review rates, rules, policy forms of licensed insurers for compliance with the state law.	SC Licensed insurers	Policy Holders	Insurance Companies	SC DOI (R200)	(Rate and Form Regulation) SC Licensed insurers	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Consumers contact this unit for inquiries regarding trade practices, interpretation of SC insurance law and regulations.	Citizens; insurance companies, executives, agencies, associations, and producers; adjusters; surplus line brokers; attorneys; appraisers; NAIC; state insurance departments; and legislators.	Policy Holders	Citizens; insurance companies, executives, agencies, associations, and producers; adjusters; surplus line brokers; attorneys; appraisers; NAIC; state insurance departments; and legislators.	SC DOI (R200)	(Individual Licensing) Citizens; insurance companies, executives, agencies, associations, and producers; adjusters; surplus line brokers; attorneys; appraisers; NAIC; state insurance departments; and legislators.	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Responsible for administering the contract pertaining to the state insurance licensing exams and make sure exams are current with SC law. Certify insurance instructors to teach continuing education.	Citizens, insurance companies, producers, adjusters, surplus lines brokers, attorneys, appraisers, insurance agencies (small business), insurance company executives, NAIC, state insurance departments, universities and schools, legislators, licensing exam groups, and insurance associations	Policy Holders	Citizens; insurance companies, executives, agencies, associations, and producers; adjusters; surplus line brokers; attorneys; appraisers; NAIC; state insurance departments; and legislators.	SC DOI (R200)	(Education Services) Citizens, insurance companies, producers, adjusters, surplus lines brokers, attorneys, appraisers, insurance agencies (small business), insurance company executives, NAIC, state insurance departments, universities and schools, legislators, licensing exam groups, and insurance associations	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Determine if the customer groups are qualified to transact business in the state according to the insurance laws of SC. If so, then a license is issued. In addition, respond to inquiries and/or complaints regarding these groups; assess for violation of SC insurance laws.	Third party administrators, Premium finance companies, service contract providers, utilization review organization, and bail bondsman	Third party administrators, Premium finance companies, service contract providers, utilization review organization, and bail bondsman	N/A-Same	SC DOI (R200)	(Special Services) Third party administrators, Premium finance companies, service contract providers, utilization review organization, and bail bondsman	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	

Description of Service	Description of Direct Customer	Customer Name	Others Impacted by Service	Division or major organizational unit providing the service.	Description of division or major organizational unit providing the service.	Primary negative impact if service not provided.	Changes made to services during FY2022	Summary of changes to services
Protect consumer interest by providing sound legal advice, advocacy and representation to DOI staff laws on insurance, regulatory, and other legal matters.	DOI units and citizens	DOI units and citizens	N/A-Same	SC DOI (R200)	(General Counsel) DOI units and citizens	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Provide budgeting, financial planning, payroll processing, revenue collection, procurement and office management.	DOI staff, the Budget and Control Board, and the legislature	DOI staff, the Budget and Control Board, and the legislature	N/A-Same	SC DOI (R200)	(Finance and Accounting) DOI staff, the Budget and Control Board, and the legislature	The Agency could be financially irresponsible, incurring deficits for the state.	No Change	
Employee recruitment and selection, relations management, classification and compensation, organizational development, employee training, and human resource analysis and planning.	Potential employees and DOI staff (current and past); SC Budget and Control Board, OHR, SC Office of Human Affairs	Potential employees and DOI staff (current and past); SC Budget and Control Board, OHR, SC Office of Human Affairs	N/A-Same	SC DOI (R200)	(Human Resources) Potential employees and DOI staff (current and past); SC Budget and Control Board, OHR, SC Office of Human Affairs	The Agency would not have skilled staff to perform the agency mission.	No Change	
Provide agencies with the requested data and offer technical support to DOI staff and citizens using the web site. Create internal databases and enhance existing data processes and network operations. Identify critical technological needs.	Agents, brokers, insurance companies, DOI staff citizens, and other agencies	Agents, brokers, insurance companies, DOI staff citizens, and other agencies	N/A-Same	SC DOI (R200)	(Information Technology) Agents, brokers, insurance companies, DOI staff citizens, and other agencies	The Agency could not operate efficiently.	No Change	
Review and audit fee and premium tax returns for licensed insurance companies, captive companies and Surplus Lines Brokers. Insurers that do not submit timely tax returns are referred to Legal.	Insurance company officials, insurance agencies, brokers (surplus lines), agency tax writers, and citizens	Insurance company officials, insurance agencies, brokers (surplus lines), agency tax writers, and citizens	N/A-Same	SC DOI (R200)	(Taxation) Insurance company officials, insurance agencies, brokers (surplus lines), agency tax writers, and citizens	The state would not receive it's proper share of premium tax revenue.	No Change	
Provide citizens with up to \$5000 to assist individuals in making homes hurricane-resistant. Provide education regarding the grant program, preparation and hurricane safety, and homeowner's insurance.	Residents in owner-occupied coastal homes	Residents in owner-occupied coastal homes	N/A-Same	SC DOI (R200)	Safe Home Program (Hurricane Mitigation) Residents in owner-occupied coastal homes	Homeowners would not be able to make needed remediation improvements on their homes to protect from storms. Insurance costs would increase.	No Change	
Provides market availability for hard to find insurance coverage: SC Reinsurance Facility, SC Wind and Hail Underwriting Association, SC Health Insurance Pool, and SC Commercial Insurance Plans.	Consumers, Agents, Insurers Real Estate Market, other government agencies	Consumers, Agents, Insurers Real Estate Market, other government agencies	N/A-Same	SC DOI (R200)	(Residual Market Mechanism) Consumers, Agents, Insurers Real Estate Market, other government agencies	Citizens would not be able to receive reasonable priced insurance products.	No Change	
Manage records, file storage, and historical retention schedules. Assist customers in locating files per their request.	Everyone	Everyone	N/A-Same	SC DOI (R200)	(Records Management and Auxiliary Services) Everyone	The Agency could not operate efficiently.	No Change	

# FY2022

## Partnerships Data

as submitted for the 2022 Accountability Report by:

### R200 - DEPARTMENT OF INSURANCE

Type of Partner Entity	Name of Partner Entity	Description of Partnership	Change to the partnership during the past fiscal year
Private Business Organization	Institute for Business and Home Safety	Partner with IBHS to provide mitigation credits to qualifying retrofits completed under the SC Safe Home grant program	No Change
Private Business Organization	Municipal Association of South Carolina	Municipal Association collects taxes for municipalities across SC. Agreement with the MASC to facilitate the collection of taxes	No Change
State Government	SC Attorney General's Office	No formal arrangement, just agency to agency cooperation on various common issues from time to time regarding fraud and legal issues	Amend
State Government	SC Consumer Affairs	No formal arrangement, just agency to agency cooperation on various common issues from time to time. SC Consumer Affairs can intervene, when needed, on rate and filings.	No Change
State Government	SC Department of Motor Vehicles	Informal agreement to exchange information related to enforcement of the South Carolina insurance laws	No Change
State Government	SC Dept. of Revenue	MOU associated with electronic payments (ACH)	No Change
Private Business Organization	SC Wind & Hail Association	No formal arrangement, just agency to agency cooperation on various common issues from time to time regarding Safe Homes and Coastal Property (e.g. rates, expansion, etc.)	No Change
State Government	SC Workers Compensation	No formal arrangement, just agency to agency cooperation on various common issues from time to time regarding rates and various committees and task forces	No Change
Private Business Organization	SC.Gov	MOU associated with electronic payments (credit cards)	No Change
State Government	South Carolina Department of Social Services	Agreement to exchange information related to enforcement of South Carolina insurance laws. SCDSS provides information to the SCDOI about individuals who do not pay child support	No Change
State Government	State Law Enforcement Division (SLED)	Contractual arrangement to assist with investigating insurance fraud.	Add

# FY2022

## Reports Data

as submitted for the Accountability Report by:

**R200 - DEPARTMENT OF INSURANCE**

Report Name	Law Number (if applicable)	Summary of information requested in the report	Date of most recent submission DURING the past fiscal year	Reporting Frequency	Type of entity/entities	Method to access the report	Direct access hyperlink or agency contact (if not provided to LSA for posting online)	Changes to this report during the past fiscal year	Explanation why a report wasn't submitted
FY2019 Agreed Upon Procedures Audit		External Audit Report	1-Aug-21	Annually	South Carolina state agency or agencies	Available on another website	<a href="https://osa.sc.gov/reports/">https://osa.sc.gov/reports/</a>	No Change	