**South Carolina General Assembly**

121st Session, 2015-2016

**A213, R237, S1064**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Young and Rankin

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Introduced in the Senate on February 4, 2016

Introduced in the House on April 13, 2016

Last Amended on April 7, 2016

Passed by the General Assembly on June 2, 2016

Governor's Action: June 3, 2016, Signed

Summary: Insurers writing workers' compensation policy

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 2/4/2016 Senate Introduced and read first time ([Senate Journal‑page 5](file:///h%3A%5CSJ%20Archive%5C2016%5C02-04-16.docx))

 2/4/2016 Senate Referred to Committee on **Banking and Insurance** ([Senate Journal‑page 5](file:///h%3A%5CSJ%20Archive%5C2016%5C02-04-16.docx))

 4/6/2016 Senate Committee report: Favorable with amendment **Banking and Insurance** ([Senate Journal‑page 8](file:///h%3A%5CSJ%20Archive%5C2016%5C04-06-16.docx))

 4/7/2016 Senate Committee Amendment Adopted ([Senate Journal‑page 32](file:///h%3A%5CSJ%20Archive%5C2016%5C04-07-16.docx))

 4/7/2016 Senate Read second time ([Senate Journal‑page 32](file:///h%3A%5CSJ%20Archive%5C2016%5C04-07-16.docx))

 4/7/2016 Senate Roll call Ayes‑37 Nays‑0 ([Senate Journal‑page 32](file:///h%3A%5CSJ%20Archive%5C2016%5C04-07-16.docx))

 4/12/2016 Senate Read third time and sent to House ([Senate Journal‑page 13](file:///h%3A%5CSJ%20Archive%5C2016%5C04-12-16.docx))

 4/13/2016 House Introduced and read first time ([House Journal‑page 4](file:///h%3A%5CHJ%20Archive%5C2016%5C04-13-16.docx))

 4/13/2016 House Referred to Committee on **Judiciary** ([House Journal‑page 4](file:///h%3A%5CHJ%20Archive%5C2016%5C04-13-16.docx))

 5/24/2016 House Committee report: Favorable **Judiciary** ([House Journal‑page 11](file:///h%3A%5CHJ%20Archive%5C2016%5C05-24-16.docx))

 5/31/2016 House Requests for debate‑Rep(s). JE Smith, Cobb‑Hunter, Bernstein, Ott, King, Ridgeway, Neal, Robinson‑Simpson, Dilliards, Weeks ([House Journal‑page 16](file:///h%3A%5CHJ%20Archive%5C2016%5C05-31-16.docx))

 6/1/2016 House Read second time ([House Journal‑page 119](file:///h%3A%5CHJ%20Archive%5C2016%5C06-01-16.docx))

 6/1/2016 House Roll call Yeas‑89 Nays‑0 ([House Journal‑page 119](file:///h%3A%5CHJ%20Archive%5C2016%5C06-01-16.docx))

 6/2/2016 House Read third time and enrolled ([House Journal‑page 41](file:///h%3A%5CHJ%20Archive%5C2016%5C06-02-16.docx))

 6/2/2016 Ratified R 237

 6/3/2016 Signed By Governor

 6/9/2016 Effective date 06/03/16

 6/9/2016 Act No. 213

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=1064&session=121&summary=B) at the website

**VERSIONS OF THIS BILL**

[2/4/2016](file:///p%3A%5Cpprever%5C2015-16%5C1064_20160204.docx)

[4/6/2016](file:///p%3A%5Cpprever%5C2015-16%5C1064_20160406.docx)

[4/7/2016](file:///p%3A%5Cpprever%5C2015-16%5C1064_20160407.docx)

[4/7/2016-A](file:///p%3A%5Cpprever%5C2015-16%5C1064_20160407A.docx)

[5/24/2016](file:///p%3A%5Cpprever%5C2015-16%5C1064_20160524.docx)

(A213, R237, S1064)

**AN ACT TO AMEND SECTION 38-73-525, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO RATE FILING REQUIREMENTS, SO AS TO REQUIRE AN INSURER WRITING WORKERS’ COMPENSATION INSURANCE TO ADOPT LOSS COSTS WITHIN A CERTAIN TIME FRAME, TO REQUIRE AN INSURER TO FILE ITS MULTIPLIER FOR EXPENSES, ASSESSMENTS, PROFIT AND CONTINGENCIES SIXTY DAYS BEFORE USING A NEW MULTIPLIER; AND TO AMEND SECTION 38-73-1210, RELATING TO FILING REQUIREMENTS FOR RATING ORGANIZATION MEMBERS, SO AS TO ESTABLISH THAT AN INSURER WRITING WORKERS’ COMPENSATION INSURANCE MAY SATISFY ITS FILING OBLIGATION BY BECOMING A MEMBER OF OR SUBSCRIBER TO A LICENSED RATING ORGANIZATION.**

Be it enacted by the General Assembly of the State of South Carolina:

**Workers’ Compensation Insurance, loss cost and multiplier filings**

SECTION 1. Section 38‑73‑525 of the 1976 Code is amended to read:

 “Section 38‑73‑525. (A) Each insurer writing workers’ compensation insurance shall adopt the most recent loss costs within sixty days after approval of these loss costs. This loss costs adoption must become effective no later than one hundred twenty days after the effective date of the approved loss costs. An insurer must notify the department of its adoption of the most recently approved loss costs by filing a notification on a form and in a manner prescribed by the director or his designee. The notification filing required by this subsection does not constitute a rate filing and is not subject to prior approval.

 (B)(1) At least sixty days before using a new multiplier for expenses, assessments, profits, and contingencies, each insurer writing workers’ compensation shall file its multiplier for expenses, assessments, profit, and contingencies and any information relied upon by the insurer to support the multiplier and any modifications to loss costs. A copy of the filing must be provided simultaneously to the consumer advocate.

 (2) Filings submitted pursuant to item (1) must be filed on a form and in the manner prescribed by the director or his designee and must contain, at a minimum, the following information: commission expense; other acquisition expense; general expense; expenses associated with recoveries from the Second Injury Fund; guaranty fund assessments; other assessments; premium taxes; miscellaneous taxes, licenses, or fees; a provision for profit and contingencies, and the date of approval of the loss costs to which the multiplier is applied, which must be the most recently approved loss costs.

 (3) Filings submitted pursuant to item (1) are subject to approval of the director or his designee and must be reviewed by an actuary employed or retained by the department who is a member of the American Academy of Actuaries or an associate or fellow of the Casualty Actuarial Society.

 (4)(a) Within the sixty‑dayperiod, if the director or his designee believes the information filed is not complete, the director or his designee shall notify the insurer of additional information to be provided. Within fifteen days of receipt of the notification, the insurer shall provide the requested information or file for a hearing challenging the reasonableness of the director’s or his designee’s request. The burden is on the insurer to justify the denial of the additional information.

 (b) Unless a hearing is requested, upon expiration of the sixty‑day period or the fifteen‑day period, whichever is later, the insurer may use the multiplier for expenses, assessments, profit, and contingencies.”

**Workers’ Compensation Insurance, rating organization requirement**

SECTION 2. Section 38‑73‑1210 of the 1976 Code is amended to read:

 “Section 38‑73‑1210. (A)(1) This item applies to property and casualty insurance but does not apply to workers’ compensation insurance. An insurer may satisfy its obligation to make required filings by becoming a member of, or a subscriber to, a licensed rating organization which makes filings and by authorizing the director or his designee to accept the filings on its behalf. However, notwithstanding another provision of this article, a member or subscriber, within twelve months after its membership or subscribership, may not file to adopt a rate approved for use for the rating organization if the rate is more than the rate in use by the member or subscriber before its membership or subscribership in the rating organization. Further, notwithstanding the provisions of Sections 38‑73‑1300 and 38‑73‑1310, a member or subscriber, within twelve months after its membership or subscribership, may not be granted an upward deviation from its rate in use when becoming a member or subscriber. However, if a rate increase for the rating organization is approved within twelve months after an insurer becomes a member or subscriber, the member or subscriber may increase its rates by the same percentage of increase granted the rating organization. Nothing contained in this chapter may be construed to require an insurer to become a member of or a subscriber to a rating organization.

 (2) This item applies to workers’ compensation insurance. An insurer may satisfy its obligation to make required filings by becoming a member of, or a subscriber to, a licensed rating organization that makes filings and by authorizing the director or his designee to accept the filings on its behalf. However, a licensed rating organization may not satisfy the insurer’s obligation to make filings required pursuant to Section 38‑73‑525.

 (B) In addition to other activities not prohibited by this chapter, a rating organization may collect, compile, and disseminate to insurers compilations of past and current premiums of insurers.”

**Time effective**

SECTION 3. This act takes effect upon approval by the Governor.

Ratified the 2nd day of June, 2016.

Approved the 3rd day of June, 2016.

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