

AGENCY NAME:	DEPARTMENT OF INSURANCE		
AGENCY CODE:	R200	SECTION:	078

Fiscal Year 2020–2021 Accountability Report

SUBMISSION FORM

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

- Reorganization and Compliance
- Strategic Plan Results
- Strategic Plan Development
- Legal
- Services
- Partnerships
- Report or Review

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.

AGENCY DIRECTOR (SIGN AND DATE):	Signature on file.
(TYPE/PRINT NAME):	Raymond G. Farmer

BOARD/CMSN CHAIR (SIGN AND DATE):	
(TYPE/PRINT NAME):	

FY 2020-2021 Agency Accountability Report
Reorganization and Compliance Responses:

These responses were submitted for the FY 2020-2021 Accountability Report by the

DEPARTMENT OF INSURANCE

Primary Contact:

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Secondary Contact

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Agency Mission

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.

Adopted in: 2012

Agency Vision

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

Adopted in: 2012

Recommendations for reorganization requiring legislative change.

Yes

Beginning in FY22, the Agency will take over the responsibility for insurance fraud from the SC Attorney General's Office. In FY22, an initial budget of \$2,000,000 was appropriated with an MOU between the Attorney General's Office, SLED and the Department of Insurance. There may be legislation in the coming year that provides for this responsibility change.

Please list significant events related to the agency that occurred in FY 2020-2021.

Month Started	Month Ended	Description of Event	Agency Measures Impacted	Other Impacts

Does the agency intend to make any other major reorganization to divisions, departments, or programs to allow the agency to operate more effectively and efficiently in FY 2021-22?

Note: It is not recommended that agencies plan major reorganization projects every year. This section should remain blank unless there is a need for reorganization.

No

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

If not, please explain why.

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

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Does the law allow the agency to promulgate regulations?

Yes

Please list the 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

Is the agency in compliance with S.C. Code Ann. § 1-22-120(J), which requires an agency to conduct a formal review of its regulations every five years?

Yes

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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, and most recently, National Association of Registered Agents and Brokers (NARAB II). These Acts have, and will continue to have, a significant impact on U.S. insurance markets and their regulation.

In 2017, the United States Treasury Department (Treasury), the Office of U.S. Trade Representative (USTR) and the European Union (EU) announced they had signed a covered agreement. A covered agreement provides stand-by authority for the Treasury and the USTR to address areas where insurance laws may treat non-US insurers differently than U.S. insurers. Covered agreements could directly impact reinsurance collateral requirements because they may preempt state law. This is important for states with coastal property exposure, like South Carolina, where reinsurance plays a critical role in ensuring the ability of insurers to pay claims after a catastrophe. To avoid pre-emption, states must enact statutory changes that make their reinsurance laws consistent with provisions of covered agreements with the European Union and the United Kingdom. States must comply with the provisions in the covered agreements within five years or face potential preemption.

Additionally, Congress is considering federal data security bills that would mandate uniform national standards in the area of data security. These bills would preempt state insurance laws that protect the privacy of information handled by insurers and may threaten the authority of the states to regulate the business of insurance. The state insurance regulators—led by Director Farmer—have developed their own model data security act. South Carolina passed this important law in the 2018 session and now other states are pursuing it as well. It is hoped that as a majority of states pass the data security model the need for congressional action may diminish.

While the aforementioned legislation and issues, like the covered agreement, originate at the federal level, they impact state laws and regulations. Often the legislation necessary to implement federal initiatives such as these must occur at the state level. Accordingly, states must promulgate or amend legislation to preserve its ability to regulate or prevent preemption. Federal legislation often establishes the minimum level of protection that may be afforded. While it recognizes that states are the primary regulators of insurance, it also establishes the standards with which all insurers must comply. States are charged with enforcement, but if the state does not enforce the provisions of the law, the federal government will effectively preempt state law. The challenge for state and federal regulators is to effectively collaborate and communicate in the performance of their regulatory roles.

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

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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. 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.

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 webpage.

Consumers and Licensing Services

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Personnel changes have historically presented strategic challenges and opportunities for the Licensing and Consumer Services Division. This 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 has grown considerably, leading to greater efficiencies and service to consumers. The Division continues to further the knowledge base of all employees within the Licensing and Consumer Services Division. All Consumer Services analysts are currently involved in professional development programs. Additionally, as employees have promoted out of the area, structural/organization changes have been made within the Division to allow for growth at all levels within the Division itself.

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.

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.

Regulatory challenges facing the Licensing & CE Division have involved streamlining the producer-licensing process and achieving licensing uniformity and reciprocity with other states in the U.S. State insurance departments oversee producer activities as part of a comprehensive regulatory framework designed to protect insurance consumer interests in insurance transactions. However, each state traditionally had its own licensing requirements and a producer licensed in one state generally had to meet the separate non-resident licensing requirements in other states to sell, solicit or negotiate insurance in such other states. The Licensing & CE Division is now paperless, and has continued 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).

As of August 2020, applicants for licensure were able to register for remote testing, greatly enhancing procedures and allowing additional capacity since many testing centers were either closed or limiting the number of available seats for social distancing purposes. South Carolina was one of the first states to offer this option and since its inception, we had over 2,000 individuals use remote testing as their preferred testing method. Testing integrity is maintained by ensuring test takers meet certain system requirements for such things as internal memory, systems version, camera pixels and internet speed. Proctors require the test taker to scan the entire room via webcam and visually monitor the candidate during the entire exam. The Department will continue to offer this option.

The agency also worked toward increasing efficiency and accountability for employees working remotely due to the pandemic. A new telephone system was implemented to allow oversight of agent availability and call monitoring. The new system includes a call center function and provides in-depth reporting functionality. This

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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 also reorganized to increase efficiency and productivity of the staff. Employees have been assigned regular duties in accordance with their individual skill sets and strengths for a true team approach, rather than all individuals performing the same tasks. We will continue to tweak these assignments to maximize operational quality, service efficiency, and Departmental productivity.

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 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 SCDOL's next full review is scheduled for November of 2021. This review will entail 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 a state's 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

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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.

Legal, Legislative & External Affairs

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 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:

Investigation Files Opened	321
Investigation Files Closed	279
License Suspensions	0
License Probation	7
Warning Letters	38
License Revocations	56

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AG Referrals	2
FOIA Requests	126
Service of Process	4496

The increased federal involvement in insurance has led to a bifurcated enforcement process and issues about the state’s ability to enforce federal laws that impact insurance. Department employees must become experts on federal and state requirements to effectively protect South Carolina consumers. Recent federal laws affecting insurance appear to rely on the states to enforce certain federal provisions.

During this past fiscal year, the Director recommended the following changes to the South Carolina insurance laws:

Recommendation	
H.3586	Proposes the amendment of the provisions of Section 38-55-510 <i>et seq.</i> Transfer the Insurance Fraud Division to the South Carolina Department of Insurance, adequately fund the Division and authorize the SCDOI to investigate and prosecute insurance fraud cases. Indictments would be reviewed and approved by the South Carolina Attorney General’s Office.
H.3535	SCDOI Procedures Bill
Proviso 78.4	Insurance Fraud Proviso
Regulations	
69-53	This regulation outlines the requirements for companies to take credit for reinsurance when ceded to a Reciprocal Jurisdiction and is the regulation backing the 2019 revisions to Model 785 which were added to our statute (Chapter 9) during the previous legislative session. This is an accreditation standard. This regulation will be based on NAIC model #786.
69-84	This is a new regulation that codifies Actuarial Guidance #48 (AG 48) for term and universal life insurance policies with secondary guarantees. This is a new accreditation standard. This regulation will be based on NAIC model #787.

The legislative changes recommended above were to enable the SCDOI to maintain its accreditation by modifying its credit for reinsurance laws to comply with national standards concerning covered agreements; and to enhance the state’s ability to combat insurance fraud.

The South Carolina General Assembly considered S. 881 and S882 during the September 2020 Session. These bills were recommended to bring South Carolina laws into compliance with international standards concerning reinsurance and covered agreements. It is an accreditation requirement. The amendments proposed comply with NAIC solvency requirements and provide reciprocal jurisdiction status for qualified jurisdictions that meet certain credit for reinsurance requirements. If these changes are not made by the states by September 2022, there could be federal preemption of state regulation in this area by the Federal Insurance Office.

Insurance Fraud

Insurance fraud is a multi-billion-dollar industry that directly affects the financial solvency of companies, the financial stability of policyholders and the cost and availability of the insurance products in the South Carolina

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marketplace. During the past legislative session, the Director proposed legislation to transfer the responsibility for investigating and prosecuting insurance fraud to the South Carolina Department of Insurance (Department). The legislation did not pass; however, the agencies tasked with the regulation of insurance and the investigation and prosecution of insurance fraud have entered into a memorandum of understanding (MOU) aimed at enhancing the state’s investigation, prosecution and prevention of insurance fraud.

This initiative is the result of the cooperation between the Office of the South Carolina Attorney General, the State Law Enforcement Division (SLED) and the South Carolina Department of Insurance. Effective July 1, 2021, the South Carolina General Assembly appropriated money to fund a new Insurance Fraud Unit within the Department. The Department, SLED and the Attorney General’s Office are preparing for the transition of responsibilities.

Under this enforcement model, the Attorney General’s Office will designate certain attorneys hired by the South Carolina Department of Insurance as special attorneys general to prosecute insurance fraud. SLED will continue to investigate fraud cases and present indictments to the Attorney General’s Office for approval. Additionally, the Department will prepare a public awareness campaign designed to prevent and combat fraud. It will make insurance fraud investigation, prosecution and prevention a priority for the Department.

Challenge: Cybersecurity and Insurance Regulation in a Digital World

The insurance sector is rapidly shifting to digital platforms or technology. 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. It is also argued these digital technologies enable companies to better respond to customer trends and buying patterns. The Internet of Things is one of the fastest emerging gateways to customer data and behavioral information. Telematic devices in vehicles, other devices in home appliances, smart watches, and sensors in other consumer products are gathering data and may transform the way insurers do business.

Artificial intelligence is technology that enables computers to accomplish tasks that were typically performed by humans. Recent advances in AI include self-driving cars, drones, robotics, legged locomotion, autonomous planning and scheduling, machine translation, speech recognition, recommendations, game playing, imaging understanding, medicine, and climate science. The umbrella term “artificial intelligence” means different things depending on the user. Academics and technologists may use the term “AI” when referring to machine learning algorithms, deep learning, neural networks, and/or generative adversarial networks. AI has revolutionized almost every aspect of our lives and is transforming financial services including **insurance** company operations such as claims handling, underwriting, marketing, distribution, and sales. Many insurers are using chatbots to assist with customer service operations

The increased use of artificial intelligence brings additional regulatory challenges including data privacy and issues involving potential unfair discrimination. The NAIC formed the Innovation and Technology (EX) Task Force to explore technological developments within the insurance industry including the use of artificial intelligence. During the past fiscal year, the National Association of Insurance Commissioners adopted guidelines related to the use of artificial intelligence by insurers. These principles require:

- Fair and equitable treatment;
- Accountability;
- Compliance with state laws and regulations;
- Transparency;

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- Security; and
- A robust platform.

This Department and state insurance regulators continue 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.

This new innovation to the insurance industry also brings with it increased risks and has challenged the **insurance** industry, especially when trying to evaluate the new cyber-related risks. The cyber peril for the insurance industry is real and presents an underwriting challenge. Hackers have arisen globally from nation states, cyber militias, criminal cartels, independent organizations, terrorist groups, and talented private individuals. They take advantage of unwary users, disgruntled employees, errors and faults in the software code, software obsolescence, technology maturity, and manufacturers' inattention to **cybersecurity**. Insurance company data is a prime target of these groups.

Cybersecurity is essential for effectively securing data needed to treat patients, maintain their access to critical health services and the security of personal identifying information. Targeted attacks continue. During the pandemic, insurers, remote workers and legacy VPNs were frequent targets of hackers.

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 eighty (80) notifications to date. The majority of these notices involve actions by third party vendors.

Congress is considering federal bills that may preempt state laws in this area. Some members of industry are supporting federal legislation. A federal framework will impact that states' ability to protect the personal data of its consumers. President Biden signed an Executive Order to improve the nation's cybersecurity and protect federal government networks. Recent cybersecurity incidents such as SolarWinds, Microsoft Exchange, and the Colonial Pipeline incident are a sobering reminder that U.S. public and private sector entities increasingly face sophisticated malicious cyber activity from both nation-state actors and cyber criminals. It has also been recommended that Congress update the Federal Information Security Modernization Act of 2014 "to reflect current cybersecurity best practices" and require federal agencies and contractors notify CISA of certain cyber incidents.

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-

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train others to minimize the number of tasks where institutional and expertise is limited to only a few “key” employees.

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 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, 2021: Collected \$341,600,315 in revenue from taxes, fees, assessment and fines, etc. This includes \$59,416,327 from Consumer Choice Liquidation.

Reviewed and analyzed 9,473 rate, rule and form filings. 7,059 were related to property and casualty insurance products and the remaining 2,414 were related to life, accident and health insurance products. The Department’s Office of Consumer Services resolved 3,471 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 14 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.

To protect consumers from insurer insolvencies, most states have enacted laws establishing guaranty associations. Insurance guaranty associations ensure that policyholders will receive some of the benefits contracted for under the policy (e.g.: life, health and annuity policyholders are protected up to \$300,000 for a covered claim).

Legislatures can help mitigate the risk by:

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- Appropriating sufficient funds or providing a dedicated funding source to ensure the Department is adequately staffed with competent personnel;
- 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.

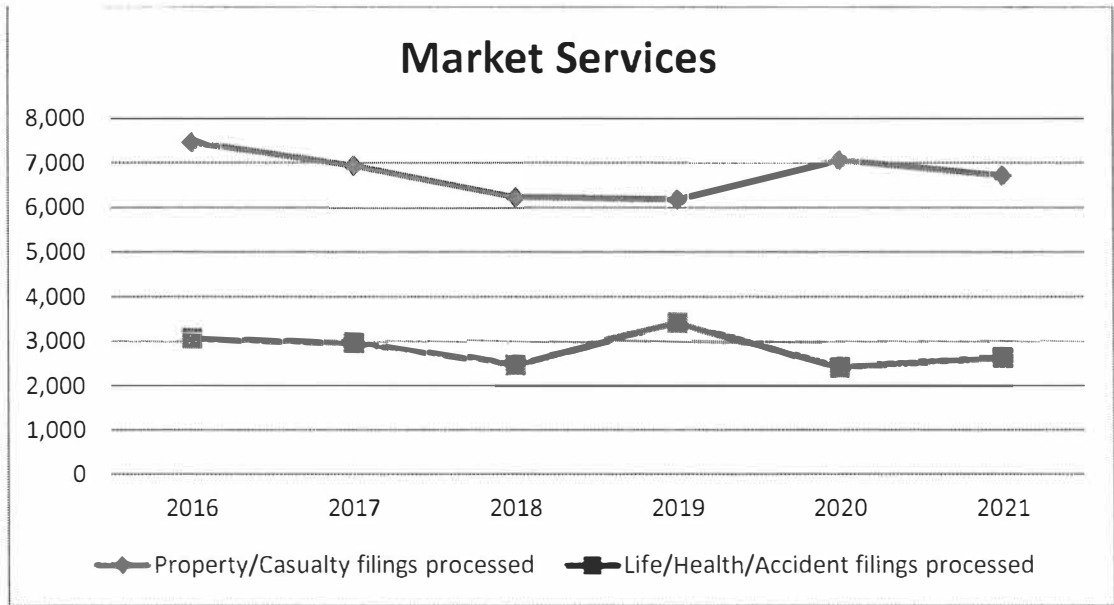
COVID-19 Risk Assessment and Mitigation Strategies

The impact of the spread of coronavirus COVID-19 has required agencies to assess its disaster recovery and business continuity plans, resilience, level of exposure, and potential liability risks. Set forth below is a summary of the Department’s business risks and the strategies used to address them.

Risk Exposure	Mitigation Strategy
Business Continuity	<ul style="list-style-type: none"> • Identified essential employees and critical agency functions required to maintain business operations <ul style="list-style-type: none"> ○ Determined which positions were necessary to ensure the continuity of the Department’s operation ○ Determined which critical functions could be performed remotely ○ Developed back-up strategies • Trained and prepared the workforce to work remotely when state offices are closed <ul style="list-style-type: none"> ○ Established telecommuting policies; flexible (e.g., staggered work) schedules during Phase II ○ Equipped staff to work remotely • Developed an emergency communications strategy to keep employees informed and connected with the worksite by using email and telephone communications as well as electronic meeting platforms • Enhanced communications and information technology resources to enable telecommuting and remote computer access
Risk of Spread in the Workplace	<ul style="list-style-type: none"> • Developed and disseminated materials concerning COVID-19 (e.g., signs and symptoms, modes of transmission) personal and family protection strategies (e.g., wearing masks, social distancing, coughing and sneezing etiquette) • Developed a SharePoint Page for communicating information to employees related to the Coronavirus • Posted the Department’s Plans for Returning to the Workplace and FAQs for supervisors and employees • Contracted with vendors to deep-clean the workplace twice during Phase I and during Phase II • Hired a temporary employee to clean high-touch areas of the Department three times a day • Fog the worksite weekly with antibacterial spray • Require employees who are ill and not feeling well to stay home • Provide PPE to employees • Require visitors to wear masks

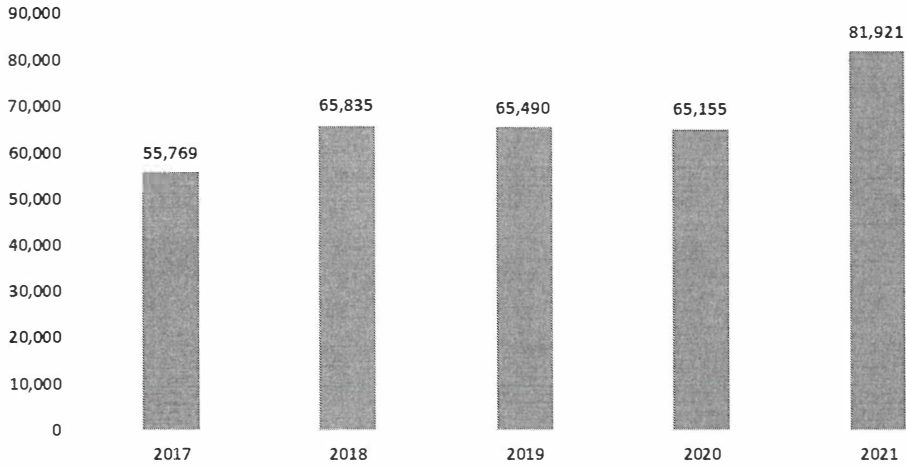
AGENCY NAME:	SC Department of Insurance		
AGENCY CODE:	R20	SECTION:	78

	<ul style="list-style-type: none"> Limit in person meetings
Legal Liability	<ul style="list-style-type: none"> Follow CDC, state and local guidance Adopt and enforce social distancing policies Implement self-monitoring and certification procedures for employees entering the workplace Required face masks for visitors or provide PPE Use plexiglass screens in conference rooms Developed presentations and other training materials for supervisors and managers on the applicable laws Established a centralized system for handling questions related to leave, requests for accommodation and other employee-related issues to prevent employee complaints and ensure consistent application of Department policy
Cyber risk	<ul style="list-style-type: none"> Reminded employees of the risks associated with opening attachments and links from untrusted sources Implementation of Knowbe4 Training and assessments Privacy trainings for program units Updated anti-virus and monitoring tools Use of VPN and multi-factor authentication



AGENCY NAME:	SC Department of Insurance		
AGENCY CODE:	R20	SECTION:	78

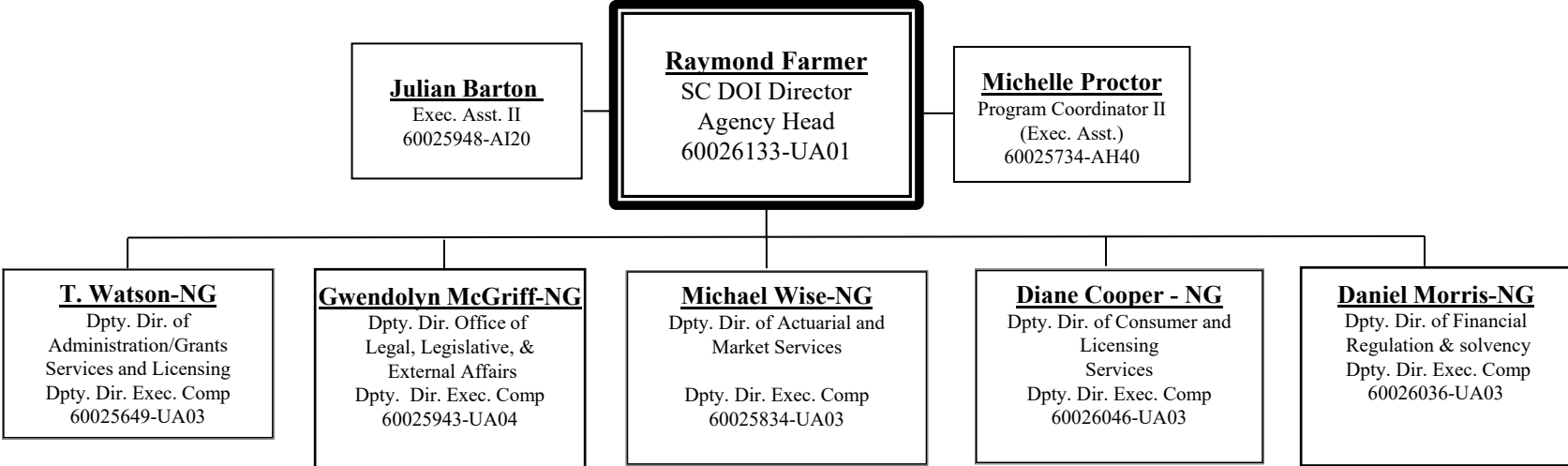
New Individual Licenses Issued
(FY2017 thru FY2021)



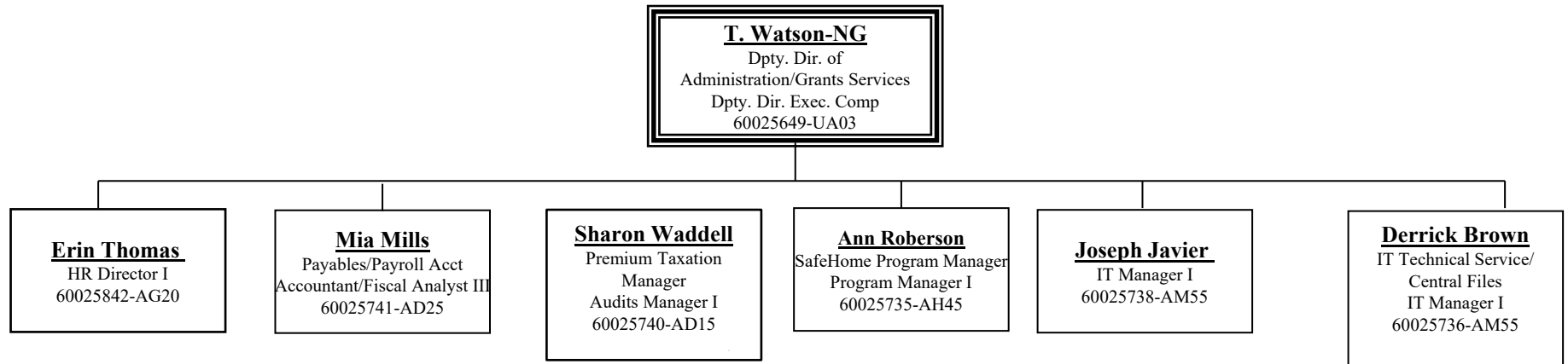
Using the Accountability Report to Improve Organizational Performance

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.

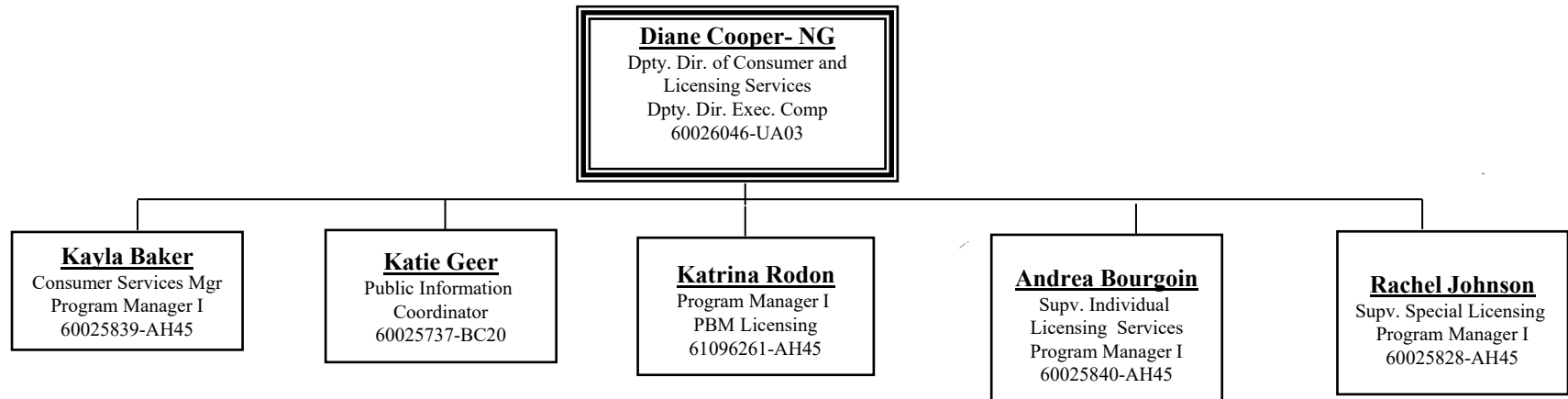
South Carolina Department of Insurance
Executive Services



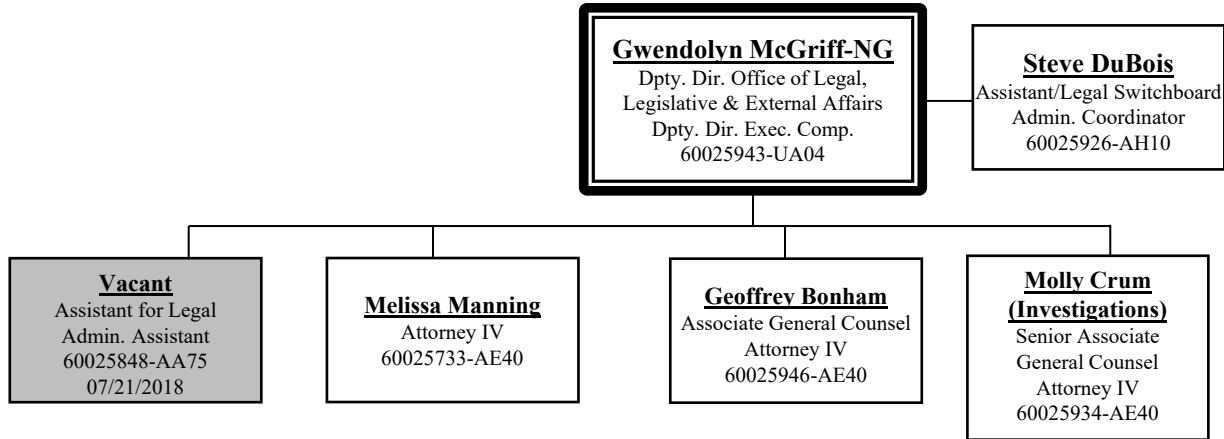
South Carolina Department of Insurance
Division of Administration



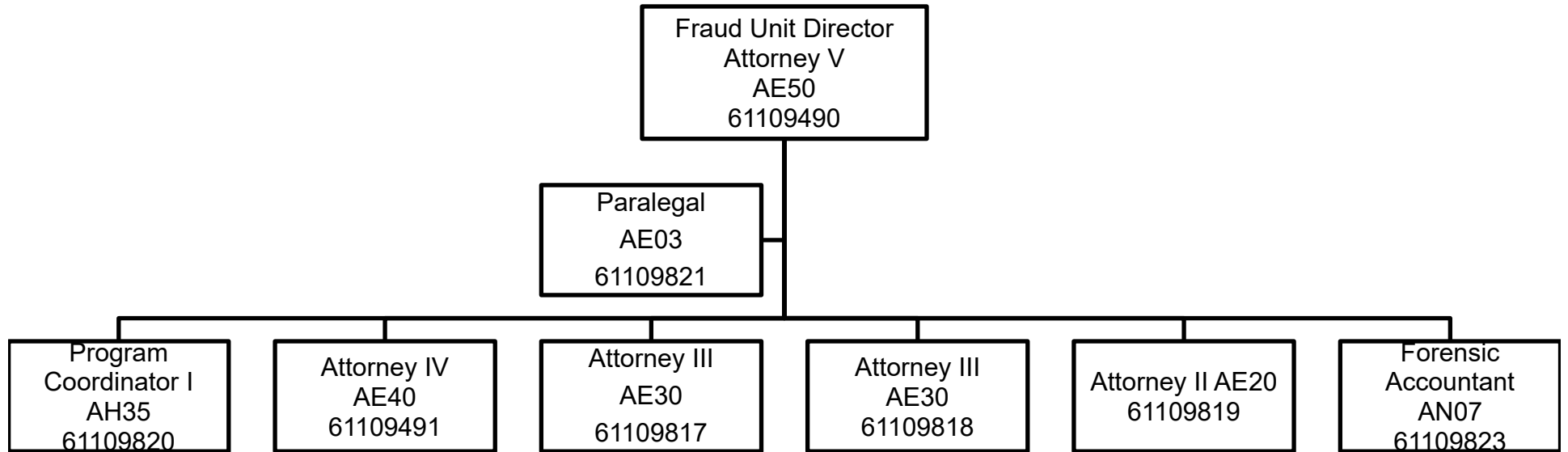
South Carolina Department of Insurance
Division of Licensing and Consumer Services



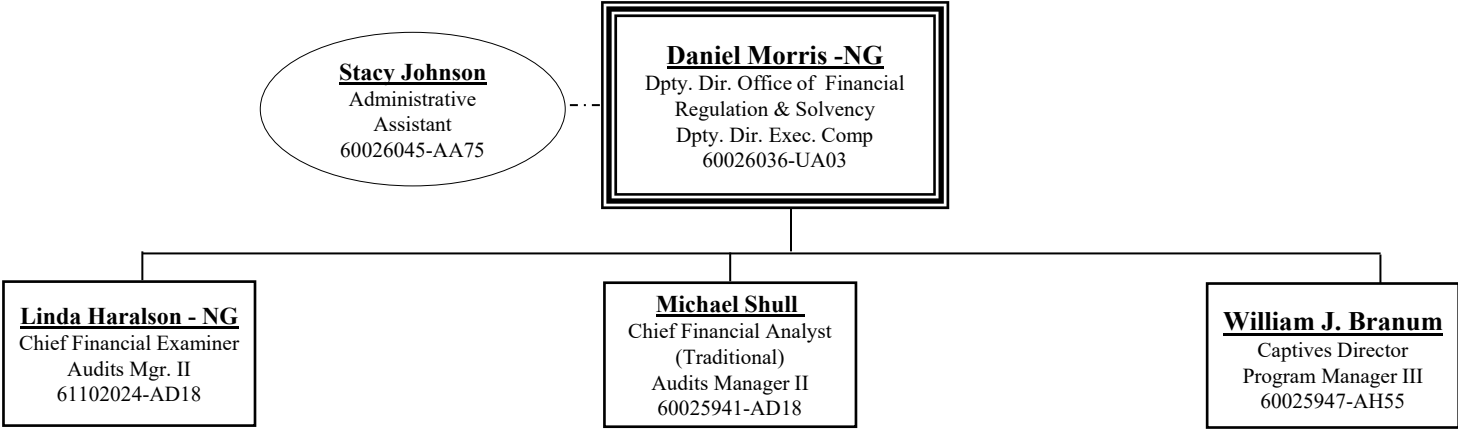
South Carolina Department of Insurance
Office of Legal, Legislative & External Affairs



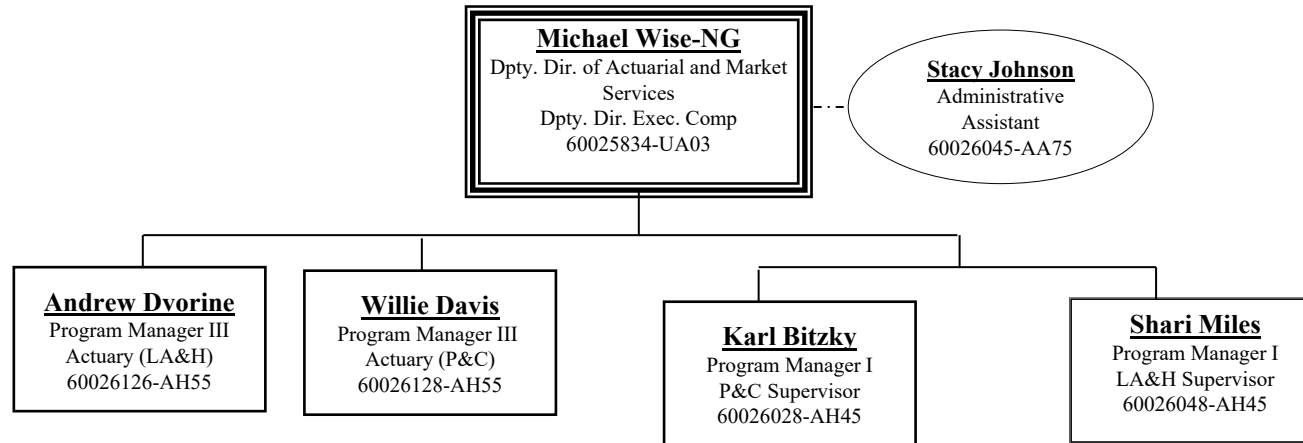
South Carolina Department of Insurance
Fraud Division



South Carolina Department of Insurance
Division of Financial Regulation & Solvency



South Carolina Department of Insurance
Division of Actuarial and Market Services



FY 2020-2021 Agency Accountability Report
 FY2020-21 Strategic Plan:

These responses were submitted for the FY 2020-2021 Accountability Report by the
 DEPARTMENT OF INSURANCE

Goal Maintain a solvent and competitive insurance marketplace

Strategy 1.1 Statewide Enterprise Objective

Process Rates, Forms and Licenses promptly Government and Citizens

Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
1.1.1	Percent of licenses who renew online	93%	90%	80%	Percent	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of licenses renewed online / total number of licenses renewed.	Licensing System	0	0	0	0	
1.1.2	Number of life, accident and health (LA&H) insurance rate and form filings processed	2414	0	2633	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Report of number of LA&H filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	0	0	0	0	Target is market driven
1.1.3	LA&H Filing Turnaround Time	19.94	15	20.23	Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average State Turnaround Days for filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	0	0	0	0	
1.1.4	Number of property and casualty (P&C) insurance rate, rule and form filings processed	7059	0	6712	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Report of number of P&C filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	0	0	0	0	Target is market driven
1.1.5	P&C Filing Turnaround Time	8.82	15	12.06	Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average State Turnaround Days for filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	0	0	0	0	
1.1.6	Totals number of licensed agents	220633	0	247353	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of agents	Licensing System	0	0	0	0	Target is market driven
1.1.7	Number of regulated companies and other carriers (Traditional & Captives)	1720	0	1799	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	What is included in this count?	Company Licensing System	0	0	0	0	Target is market driven
1.1.8	Producer Licensing Turnaround Time (hours)	7	10	7	Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average turnaround time in house	0	0	0	0	0	
1.1.9	Newly Licensed Individuals	62810	0	82865	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of new licenses issued	Licensing System	0	0	0	0	Target is market driven

DEPARTMENT OF INSURANCE

Goal Maintain a solvent and competitive insurance marketplace														
Strategy 1.3										Statewide Enterprise Objective				
Monitor insurer solvency through financial analysis and examinations										Government and Citizens				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
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)	156	0	292	Count	equal to or greater than	Calendar Year (January 1 - December 31)	Number of reviews	Traditional Supervising Analyst	0	0	0	0	Target is market driven (based on domestics)
1.3.2	Captive Business Plan Changes - total days (receipt to closure)	7	10	7	Count	equal to or less than	State Fiscal Year (July 1 - June 30).	Average turnaround time in days	G. Delleney (Is this an external vendor or a system?)	0	0	0	0	
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	0	0	0	0	
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.	263	0	260	Count	equal to or greater than	Calendar Year (January 1 - December 31)	Number of reviews	Captive Supervising Analyst	0	0	0	0	Target is market driven (based on captives)
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	0	0	0	0	
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	0	4	Count	equal to or greater than	Other	Number of meetings	Committee Records	0	0	0	0	Committee meets quarterly or as needed but was not formed until FY'15.
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	0	0	0	0	
1.3.8	Number of entities receiving SC DOI solvency-related intervention	0	0	0	Count	Maintain	Other	Number of interventions	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	Target varies
1.3.9	Captive Business Plan Changes - net days (Dept. processing time)	3	10	3	Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average processing time in days	G. Delleney (Is this an external vendor or a system?)	0	0	0	0	

DEPARTMENT OF INSURANCE

Goal Promote voluntary compliance by enhancing education and outreach														
Strategy 2.2										Statewide Enterprise Objective				
Educate DOI Employees										Education, Training, and Human Development				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
2.2.1	CISR/AFE/APIR/PIR/CPCU/Aer/ACAS/CFE Trainings	100	100	100	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of trainings	0	0	0	0	0	
2.2.2	Security/Confidentiality Training	100%	100%	100%	Percent	Maintain	State Fiscal Year (July 1 - June 30).	Number of trainings	0	0	0	0	0	

DEPARTMENT OF INSURANCE

Goal Protect the public through effective regulatory enforcement of insurance laws														
Strategy 3.3										Statewide Enterprise Objective				
Evaluate opportunities for speedier resolution of some complaints										Government and Citizens				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
3.3.1	Number of enforcement cases concluded with action	43	0	101	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of cases with actions	Unit Monthly Report	0	0	0	0	Target varies
3.3.10	Average turnaround time (in days) to written consumer complaints	8.72	10	9	Ratio	equal to or greater than	State Fiscal Year (July 1 - June 30).	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	0	0	0	0	
3.3.2	Legal cases closed	282	0	279	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of cases closed	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	Target varies
3.3.3	Dollar amount of penalties assessed for violations of insurance and insurance-related statutes and rules	\$105,710.00	\$0.00	\$288,382.00	Dollar Amount	equal to or greater than	0	Total amount of penalties assessed	Unit monthly report	0	0	0	0	Target varies
3.3.4	Number of referrals of alleged insurer fraud to state and federal prosecutors	7	0	2	Count	Maintain	0	Number of referrals	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	Target varies
3.3.5	Number of reports of insurer fraud received	35	0	2	Count	Maintain	0	Number of reports received	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	Target varies
3.3.6	Percent of enforcement cases concluded within 365 days	97%	90%	95%	Percent	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of open divided by # of closed for the year	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	
3.3.7	Number of complaints resolved	3471	0	3711	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Sum of number of files opened and closed during FY	Open/ Closed Complaint Report from SCDOI Market Conduct Database	0	0	0	0	Target varies
3.3.8	Dollar amount returned to consumers through complaints resolution	\$6,385,223.00	\$0.00	\$4,949,089.04	Dollar Amount	equal to or greater than	State Fiscal Year (July 1 - June 30).	Sum of monthly recovered amounts for July 2015 through June 2016	Dashboard Recovered Amounts Reports from SCDOI Market Conduct Database	0	0	0	0	Target varies
3.3.9	Complaint/Inquiry Turnaround Time (days)	8.72	10	10	Ratio	equal to or greater than	State Fiscal Year (July 1 - June 30).	Calculated by subtracting the date closed from the date opened; average across all complaints closed during the fiscal year.	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	

FY 2020-2021 Agency Accountability Report
FY2021-22 Strategic Plan:

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Maintain a solvent and competitive insurance marketplace

Strategy 1.1

Statewide Enterprise Objective

Process Rates, Forms and Licenses promptly

Government and Citizens

Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
1.1.1	Percent of licenses who renew online	80%	90%		Percent	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of licenses renewed online / total number of licenses renewed.	Licensing System	0	0	0	0	
1.1.2	Number of life, accident and health (LA&H) insurance rate and form filings processed	2633	0		Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Report of number of LA&H filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	0	0	0	0	Target is market driven
1.1.3	LA&H Filing Turnaround Time	20.23	15		Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average State Turnaround Days for filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	0	0	0	0	
1.1.4	Number of property and casualty (P&C) insurance rate, rule and form filings processed	6712	0		Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Report of number of P&C filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	0	0	0	0	Target is market driven
1.1.5	P&C Filing Turnaround Time	12.06	15		Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average State Turnaround Days for filings with a disposition date between start and end of FY (excluding rejected filings)	SERFF	0	0	0	0	
1.1.6	Totals number of licensed agents	247353	0		Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of agents	Licensing System	0	0	0	0	Target is market driven
1.1.7	Number of regulated companies and other carriers (Traditional & Captives)	1799	0		Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	What is included in this count?	Company Licensing System	0	0	0	0	Target is market driven
1.1.8	Producer Licensing Turnaround Time (hours)	7	10		Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average turnaround time in house		0	0	0	0	

These responses were submitted for the FY 2020-2021 Accountability Report by the

DEPARTMENT OF INSURANCE

1.1.9	Newly Licensed Individuals	82865	0	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of new licenses issued	Licensing System	0	0	0	0	Target is market driven

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Maintain a solvent and competitive insurance marketplace														
Strategy 1.2										Statewide Enterprise Objective				
Recruit new insurers to SC to write in underserved markets										Government and Citizens				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
1.2.1	Track insurance entities licensed/approved/registered in SC	815	0	0	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Which one of the groups listed in the measure is being counted, or is it the aggregate of all three?	Company Licensing System	0	0	0	0	Target is market driven

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Maintain a solvent and competitive insurance marketplace														
Strategy 1.3											Statewide Enterprise Objective			
Monitor insurer solvency through financial analysis and examinations											Government and Citizens			
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
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)	292	0		Count	equal to or greater than	Calendar Year (January 1 - December 31)	Number of reviews	Traditional Supervising Analyst	0	0	0	0	Target is market driven (based on domestics)
1.3.2	Captive Business Plan Changes - total days (receipt to closure)	7	10		Count	equal to or less than	State Fiscal Year (July 1 - June 30).	Average turnaround time in days	G. Dellene (Is this an external vendor or a system?)	0	0	0	0	
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%		Percent	Maintain	Other	Number of examinations completed / number of examinations required by statute	Traditional Chief Financial Examiner	0	0	0	0	
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.	260	0		Count	equal to or greater than	Calendar Year (January 1 - December 31)	Number of reviews	Captive Supervising Analyst	0	0	0	0	Target is market driven (based on captives)
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%		Percent	Maintain	Other	Number of examinations completed / number of examinations required by statute	Captive Chief Financial Examiner	0	0	0	0	
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.	4	0		Count	equal to or greater than	Other	Number of meetings	Committee Records	0	0	0	0	Target varies
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%		Percent	Maintain	Other	Number of reviews / Number of required reviews	Captive and Traditional Supervising Analysts	0	0	0	0	
1.3.8	Number of entities receiving SC DOI solvency-related intervention	0	0		Count	Maintain	Other	Number of interventions	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	Target varies
1.3.9	Captive Business Plan Changes - net days (Dept. processing time)	3	10		Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average processing time in days	G. Dellene (Is this an external vendor or a system?)	0	0	0	0	

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Maintain a solvent and competitive insurance marketplace														
Strategy 1.4										Statewide Enterprise Objective				
Review insurance laws to reduce impediments to competition or market entry										Government and Citizens				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
1.4.1	Review provisions of Title 38 affecting licensure of insurers	100%	100%		Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Where does the record of the percentage of this action that has been completed come from?	0	0	0	0	
1.4.2	Identify laws that may require modification or repeal	0	0		Count	equal to or greater than	Calendar Year (January 1 - December 31)	Number of laws identified	0	0	0	0	0	Target varies

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Promote voluntary compliance by enhancing education and outreach

Strategy 2.1

Statewide Enterprise Objective

Implement Communications Plan

Education, Training, and Human Development

Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
2.1.1	Communicate insurance related messages via PSAs and social media	352	0	0	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of messages	Annual Communication Plan (Does this tell you how many were completed?)	0	0	0	0	Target varies

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Promote voluntary compliance by enhancing education and outreach														
Strategy 2.2											Statewide Enterprise Objective			
Educate DOI Employees											Education, Training, and Human Development			
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
2.2.1	CISR/AFE/APIR/PIR/CPCU/Aer/ACAS/CFE Trainings	100	100		Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of trainings	0	0	0	0	0	
2.2.2	Security/Confidentiality Training	100%	100%		Percent	Maintain	State Fiscal Year (July 1 - June 30).	Number of trainings	0	0	0	0	0	

DEPARTMENT OF INSURANCE

Goal Promote voluntary compliance by enhancing education and outreach														
Strategy 2.3										Statewide Enterprise Objective				
Implement Disaster Response Plan										Education, Training, and Human Development				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
2.3.1	Enhance disaster preparedness capabilities through preparing, training, and exercising		4	4	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of events	0	0	0	0	0	

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Protect the public through effective regulatory enforcement of insurance laws														
Strategy 3.1										Statewide Enterprise Objective				
Ensure licensees are complying with the requirements of SC law										Government and Citizens				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
3.1.1	Maintain NAIC Accreditation every Five (5) Years	100	100		Count	Maintain	Other	Completion of activities required for NAIC Accreditation, awarded by (what does NAIC stand for?).	NAIC Review	Deputy Director	0	0	0	

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Protect the public through effective regulatory enforcement of insurance laws														
Strategy 3.2 Promote compliance through education										Statewide Enterprise Objective Government and Citizens				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
3.2.1	Number of consumers assisted by SCDOI Consumer Help Line Switchboard	5507	0		Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of calls resolved	Does a system capture this? If not, internal records is sufficient.	Office of Consumer Services Staff Reports	0	0	0	Target is market driven
3.2.2	Number of consumer calls, inquiries addressed by Insurance Regulatory Analysts in the SCDOI's Office of Consumer Services	7640	0		Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Sum of new calls and new visitors handled by staff (excluding switchboard) during FY	Does a system capture this? If not, internal records is sufficient.	Office of Consumer Services Staff Reports	0	0	0	Target is market driven

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Protect the public through effective regulatory enforcement of insurance laws														
Strategy 3.3										Statewide Enterprise Objective				
Evaluate opportunities for speedier resolution of some complaints										Government and Citizens				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
3.3.1	Number of enforcement cases concluded with action	101	0		Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of cases with actions	Unit Monthly Report	0	0	0	0	Target varies
3.3.10	Average turnaround time (in days) to written consumer complaints	9	10		Ratio	equal to or greater than	State Fiscal Year (July 1 - June 30).	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	0	0	0	0	
3.3.2	Legal cases closed	279	0		Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of cases closed	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	Target varies
3.3.3	Dollar amount of penalties assessed for violations of insurance and insurance-related statutes and rules	\$288,382.00	\$0.00		Dollar Amount	equal to or greater than	0	Total amount of penalties assessed	Unit monthly report	0	0	0	0	Target varies
3.3.4	Number of referrals of alleged insurer fraud to state and federal prosecutors	2	0		Count	Maintain	0	Number of referrals	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	Target varies
3.3.5	Number of reports of insurer fraud received	2	0		Count	Maintain	0	Number of reports received	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	Target varies
3.3.6	Percent of enforcement cases concluded within 365 days	95%	90%		Percent	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of open divided by # of closed for the year	Does a system capture this? If not, internal records is sufficient.	0	0	0	0	
3.3.7	Number of complaints resolved	3711	0		Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Sum of number of files opened and closed during FY	Open/ Closed Complaint Report from SCDOI Market Conduct Database	0	0	0	0	Target varies
3.3.8	Dollar amount returned to consumers through complaints resolution	\$4,949,089.04	\$0.00		Dollar Amount	equal to or greater than	State Fiscal Year (July 1 - June 30).	Sum of monthly recovered amounts for July 2015 through June 2016	Dashboard Recovered Amounts Reports from SCDOI Market Conduct Database	0	0	0	0	Target varies

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3.3.9	Complaint/Inquiry Turnaround Time (days)	10	10	Ratio	equal to or greater than	State Fiscal Year (July 1 - June 30).	Calculated by subtracting the date closed from the date opened; average across all complaints closed during the fiscal year.	Does a system capture this? If not, internal records is sufficient.	0	0	0	0

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Protect the public through effective regulatory enforcement of insurance laws

Strategy 3.4 **Statewide Enterprise Objective**

Communicate compliance and enforcement statistics/trends to stakeholders Government and Citizens

Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
3.4.1	Breakdown of complaint statistics by insurance carrier by year to public	100%	100%		Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	DOI Market Conduct Database; DOI website	0	0	0	0	

Goal: Improve Operational Quality, Service Efficiency, and Departmental Productivity														
Strategy: 4.1										Statewide Enterprise Objective				
Recruit, train and retain a knowledgeable and healthy staff										Education, Training, and Human Development				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
4.1.1	Establish relationships with institutions of higher education for internship and recruitment management, and insurance)	100%	100%		Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Internal Records	0	0	0	0	
4.1.2	Update Succession/Workforce plans	100%	100%		Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Internal Records	0	0	0	0	
4.1.3	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%		Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Internal Records	0	0	0	0	

These responses were submitted for the FY 2020-2021 Accountability Report by the
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Goal Improve Operational Quality, Service Efficiency, and Departmental Productivity														
Strategy 4.2										Statewide Enterprise Objective				
Make website more interactive										Education, Training, and Human Development				
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
4.2.1	Enhance SC Safe Home Online Portal	100%	100%		Percent Complete	Complete	Other	Percent complete as determined by the agency.	Safe Homes Access Database	0	0	0	0	
4.2.2	Increase the number of consumers using site	55%	50%		Percent	equal to or greater than	State Fiscal Year (July 1 - June 30).	Percentage of visitors who enter and exit on the same page without visiting other links or pages on site.	Piwik Analytics	0	0	0	0	

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Goal Improve Operational Quality, Service Efficiency, and Departmental Productivity

Strategy 4.3 **Statewide Enterprise Objective**

Review and Maintain heightened level security DOI systems & facilities Education, Training, and Human Development

Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Budget Program Number Responsible	Notes
4.3.1	Integrate network security into daily operations	100%	100%		Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Security file	0	0	0	0	
4.3.2	Make "Securing the Human" course mandatory for all on a yearly basis	100%	100%		Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Security file	0	0	0	0	
4.3.3	Implement all DTO recommendations for IT Security immediately	100%	100%		Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Security file	0	0	0	0	

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Budget Responses:

These responses were submitted for the FY 2020-2021 Accountability Report by the

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State Funded Program Number	State Funded Program Title	Description of State Funded Program	FY 2020-21 Expenditures (Actual)				FY 2021-22 Expenditures (Projected)			
			General	Other	Federal	TOTAL	General	Other	Federal	TOTAL
0100.000000.000	Administration	Administration	\$1,702,923.00	\$580,764.00		\$2,283,687.00	\$1,703,147.00	\$1,958,090.00		\$3,661,237.00
4000.050000.000	Solvency	Solvency	\$344,041.00	\$794,864.00		\$1,138,905.00	\$192,543.00	\$1,194,857.00		\$1,387,400.00
4000.100000.000	Licensing	Licensing	\$118,909.00	\$430,581.00		\$549,490.00	\$188,323.00	\$668,763.00		\$857,086.00
4000.150000.000	Taxation	Taxation	\$24,979.00	\$168,569.00		\$193,548.00	\$118,307.00	\$322,742.00		\$441,049.00
4000.200000.000	Consumer Services/Complaints	Consumer Services/Complaints	\$267,733.00	\$294,636.00		\$562,369.00	\$391,415.00	\$343,200.00		\$734,615.00
4000.250000.000	Policy Forms And Rates	Policy Forms And Rates	\$988,559.00	\$495,212.00		\$1,483,771.00	\$899,906.00	\$677,768.00		\$1,577,674.00
4000.300000.000	Loss Mitigation	Loss Mitigation		\$2,141,028.00		\$2,141,028.00		\$3,041,254.00		\$3,041,254.00
4000.350000.000	Uninsured Motorists	Uninsured Motorists		\$1,999,272.00		\$1,999,272.00		\$2,155,000.00		\$2,155,000.00
4000.400000.000	Captives	Captives		\$947,355.00		\$947,355.00		\$2,151,655.00		\$2,151,655.00
4000.450000.000	Fraud	Fraud					\$1,441,000.00	\$382,000.00		\$1,823,000.00
9500.050000.000	State Employer Contributions	State Employer Contributions	\$1,081,966.00	\$994,977.00		\$2,076,943.00	\$1,194,468.00	\$1,135,425.00		\$2,329,893.00

Legal Responses:

**These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE**

Description	Purpose	Law Number	Jurisdiction	Type	Notes
Establishes the South Carolina Department of Insurance as a part of the Executive Department	Requires a service	1-1-110	State	Statute	Most insurance statutes do not specify who the customer is. However, the Department is established to protect the insurance consumers.
Sets forth requirements for administrative agencies, rules, regulations and orders.	Not related to agency deliverable	1-23-10 et seq	State	Statute	
Names the agencies that are part of the executive branch of government	Not related to agency deliverable	1-30-10	State	Statute	
Transferred all rights and duties to the SCDOI as a part of the 1995 restructuring of state government	Requires a service	1-30-55	State	Statute	Protects insurance consumers
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	18 USC 1033, 1034	Federal	Federal Statute	Protects insurance consumers
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	38-10-10 et seq	State	Statute	Protects insurance consumers and licensees
Establishes the South Carolina insurance law; SCDOI charged with responsibility of enforcing the insurance laws of the state	Requires a service	38-1-10	State	Statute	Protects insurance consumers
Insurance Definitions for Title 38	Not related to agency deliverable	38-1-20	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	38-12-10 et seq	State	Statute	Protects insurance consumers and licensees

**These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE**

Description	Purpose	Law Number	Jurisdiction	Type	Notes
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	38-13-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-14-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-15-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-17-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-19-10 et seq	State	Statute	Protects insurance consumers and licensees
Establishes certain administrative penalties for violations of the insurance laws	Requires a service	38-2-10	State	Statute	Protects insurance consumers

**These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE**

Description	Purpose	Law Number	Jurisdiction	Type	Notes
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	38-21-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-23-50 et seq	State	Statute	Protects insurance consumers and licensees
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	38-25-10 et seq	State	Statute	Law is designed to protect the public
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	38-26-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-27-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-29-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-3-100	State	Statute	

**These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE**

Description	Purpose	Law Number	Jurisdiction	Type	Notes
Sets for the duties of the Director of Insurance	Requires a service	38-3-110	State	Statute	Director enforces insurance laws for the benefit of the public
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	38-31-10 et seq	State	Statute	Protects insurance consumers and licensees
Director must take an oath and secure a bond	Requires a service	38-3-120	State	Statute	Director must secure a bond; bond for protection of the public
Director may hire or appoint actuaries, examiners, clerks and other employees for the proper execution of the work of the Department.	Requires a service	38-3-130	State	Statute	Protects insurance consumers
Violations are deemed to have been committed at the Office of the Director in Columbia	Requires a service	38-3-140	State	Statute	Protects insurance consumers
Provides general information about who may conduct investigations or hearings	Requires a service	38-3-150	State	Statute	Protects insurance consumers
Director, agents or assistants shall administer all required oaths	Not related to agency deliverable	38-3-160	State	Statute	
Provides the requirements for hearing notices	Requires a service	38-3-170	State	Statute	Protects insurance consumers and licensees
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	38-3-180	State	Statute	Protects insurance consumers and licensees
SCDOI may pay witnesses mileage	Not related to agency deliverable	38-3-190	State	Statute	
Orders must be written and signed by the director or his designee to be effective	Requires a service	38-3-200	State	Statute	Protects insurance consumers and licensees
Orders or decisions are subject to judicial review in accordance with the procedures of the Administrative Law Division	Requires a service	38-3-210	State	Statute	Protects insurance consumers subject licensees
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	38-3-220	State	Statute	Protects insurance consumers director licensees
Any license issued with the Department seal is evidence that the licensee has the authority to do business in this state	Requires a service	38-3-230	State	Statute	Protects insurance consumers the licensees
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	38-33-10 et seq	State	Statute	Protects insurance consumers and licensees
Establishes the Department of Insurance and the position of Director of Insurance	Requires a service	38-3-40	State	Statute	Enforce insurance laws
Sets compensation parameters for the Director of Insurance	Not related to agency deliverable	38-3-40	State	Statute	
Provides for the formation and conduct of mutual benevolent aid associations and their regulation.	Requires a service	38-35-10 et seq	State	Statute	Protects insurance consumers and licensees

**These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE**

Description	Purpose	Law Number	Jurisdiction	Type	Notes
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	38-3-60	State	Statute	The public is the DOI customer
Provides for the Department seal	Not related to agency deliverable	38-3-80	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	38-38-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-39-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-41-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-43-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-44-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-45-10 et seq	State	Statute	Protects insurance consumers and licensees
Sets forth Licensing requirements, administration and regulation of Reinsurance Intermediaries.	Requires a service	38-46-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-47-10 et seq	State	Statute	Protects insurance consumers and licensees

**These responses were submitted for the FY 2020-2021 Accountability Report by the
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Description	Purpose	Law Number	Jurisdiction	Type	Notes
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	38-48-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-49-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-5-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-51-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-53-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-55-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-57-10 et seq	State	Statute	the public is the DOI customer
Sets forth the requirements for insurer claims practices; defines bad faith and prompt pay guidelines and requirements.	Requires a service	38-59-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-61-10 et seq	State	Statute	The public is the DOI customer
Sets forth the requirements for Individual Life Insurance, forms, regulation, premiums, etc.	Requires a service	38-63-10 et seq	State	Statute	Protects insurance consumers and licensees
Sets forth the requirements for Group Life Insurance, forms, regulation, premiums, etc.	Requires a service	38-65-10 et seq	State	Statute	Protects insurance consumers and licensees
Sets guidelines for the regulation of variable annuities	Requires a service	38-67-10 et seq	State	Statute	Protects insurance consumers and licensees

**These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE**

Description	Purpose	Law Number	Jurisdiction	Type	Notes
Sets for the requirements and guidelines for regulation of individual annuities.	Requires a service	38-69-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-70-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-7-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-71-10 et seq	State	Statute	Protects insurance consumers and licensees
Sets forth the requirements, regulation and approval of Long Term Care products.	Requires a service	38-72-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-73-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-74-10 et seq	State	Statute	the public is the DOI customer
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	38-75-10 et seq	State	Statute	Protects insurance consumers and licensees

**These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE**

Description	Purpose	Law Number	Jurisdiction	Type	Notes
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	38-77-10 et seq	State	Statute	Protects insurance consumers and licensees
This chapter governs the licensing requirements, administration and regulation of Service Contracts and service contract providers.	Requires a service	38-78-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-79-10 et seq	State	Statute	the public is the DOI customer
Reporting requirements and Legal Professional Liability Insurance Joint Underwriting Association. This Association is inactive.	Requires a service	38-81-10 et seq	State	Statute	Protects insurance consumers and licensees
Organization, coverage and regulation of Joint Underwriting Association for Writing of Professional Liability Insurance. This JUA is inactive.	Requires a service	38-83-10 et seq	State	Statute	Protects insurance consumers and licensees
Sets forth requirements for insurers participation in consolidation and mortgage insurance.	Requires a service	38-85-10 et seq	State	Statute	Protects insurance consumers and licensees
Sets forth the requirements for licensing, administration and regulation/taxation of Risk Retention Groups and Purchasing Groups.	Requires a service	38-87-10 et seq	State	Statute	Protects insurance consumers and licensees
Creation, administration and regulation of Day Care Joint Underwriting Association. Association is inactive.	Requires a service	38-89-10 et seq	State	Statute	Protects insurance consumers and licensees
Licensing requirements, administration and regulation of Captive Insurance Companies.	Requires a service	38-90-10 et seq	State	Statute	Protects insurance consumers and licensees
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	38-9-10 et seq	State	Statute	Protects insurance consumers and licensees
Sets forth the requirements for the regulation genetic information. Director can penalize members for violating the provision of the chapter.	Requires a service	38-93-10 et seq	State	Statute	The public is the DOI customer
Establishment, regulation and administration of Interstate Insurance Product Regulation Compact.	Requires a service	38-95-10 et seq	State	Statute	The public is the DOI customer
Licensing requirements, administration and regulation of Portable Electronics insurance. Director can impose penalties for violations of the law	Requires a service	38-97-10 et seq	State	Statute	Protects insurance consumers and licensees

**These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE**

Description	Purpose	Law Number	Jurisdiction	Type	Notes
Establishes standards to protect insurance data and notification requirements for cybersecurity events	Requires a service	38-99-10 et seq.	State	Statute	
Adjustment of Claims Under Unusual Circumstances	Requires a service	69-1	State	Regulation	The public is the DOI customer
Premium Service Companies	Requires a service	69-10	State	Regulation	Protects insurance consumers Broker licensees
Regulation of Credit Insurance	Requires a service	69-11.1	State	Regulation	The public is the DOI customer
Variable Contracts	Requires a service	69-12	State	Regulation	The public is the DOI customer
Replacement of Life Insurance and Annuities	Requires a service	69-12.1	State	Regulation	The public is the DOI customer
Uniform Class and Territory Plan - Motorcycles	Requires a service	69-13-.3	State	Regulation	Protects insurance consumers Plan licensees
Insurance Holding Company Systems	Requires a service	69-14	State	Regulation	
South Carolina Deposits Required of Insurers	Requires a service	69-15	State	Regulation	the public is the DOI customer
Title Insurance	Requires a service	69-18	State	Regulation	Protects insurance consumers Broker licensees
Campus Life Insurance	Requires a service	69-20	State	Regulation	Protects insurance consumers Broker licensees
Health Maintenance Organizations	Requires a service	69-22	State	Regulation	Protects insurance consumers Broker licensees
Adjuster, Public Adjuster, Appraiser, Broker, Bondsmen, Runner, Producer and Agency Licenses	Requires a service	69-23	State	Regulation	Protects insurance consumers Broker licensees
Workmen's Compensation - Dividends to Policyholders	Requires a service	69-24	State	Regulation	The public is the DOI customer
Prohibition Against Decreases in Income Benefits from Group Disability Policies due to Increases in Social Security Benefits	Requires a service	69-25	State	Regulation	The public is the DOI customer
Guaranty Act - Applicability	Requires a service	69-27	State	Regulation	The public is the DOI customer
Suitability in Annuity Transactions	Requires a service	69-29	State	Regulation	The public is the DOI customer
Definitions	Not related to agency deliverable	69-3	State	Regulation	
Life Insurance Disclosure Regulation	Requires a service	69-30	State	Regulation	The public is the DOI customer
Practice and Procedure for Hearings before the Chief Insurance Commissioner under the State Administrative Procedures Act, Act No. 176 of 1977	Requires a service	69-31	State	Regulation	The public is the DOI customer
Unfair Discrimination on the Basis of Blindness or Partial Blindness	Requires a service	69-32	State	Regulation	Protects insurance consumers Basis licensees
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	69-33	State	Regulation	Collections mostly for the General Fund
Individual Accident and Health Insurance Minimum Standards	Requires a service	69-34	State	Regulation	The public is the DOI customer
Accident and Health Insurance Solicitations	Requires a service	69-34.1	State	Regulation	The public is the DOI customer
Replacement of Accident and Health Insurance	Requires a service	69-34.;2	State	Regulation	The public is the DOI customer
Procedure for Permitting Same Minimum No forfeiture Standards for Men and Women Under 1980 CSO and CET Mortality Tables	Requires a service	69-36	State	Regulation	The public is the DOI customer
Annuity Mortality Tables for Use in Determining Reserve Liabilities for Annuities	Requires a service	69-37	State	Regulation	The public is the DOI customer
Regulation Permitting Smoker/Nonsmoker Mortality Tables for Use in Determining Minimum Reserve Liabilities and No forfeiture Benefits	Requires a service	69-38	State	Regulation	The public is the DOI customer
Annuity Disclosure Regulation	Requires a service	69-39	State	Regulation	The public is the DOI customer

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Description	Purpose	Law Number	Jurisdiction	Type	Notes
Life, Accident and Health Insurance - Reserve Tabulations	Requires a service	69-4	State	Regulation	The public is the DOI customer
Life Insurance Policy Illustration Rules	Requires a service	69-40	State	Regulation	Protects insurance consumers Rules licensees
Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities	Requires a service	69-40.1	State	Regulation	Protects insurance consumers Certifications licensees
Prepaid Dental Service	Requires a service	69-41	State	Regulation	The public is the DOI customer
Multiple Employer Self-Insured Plans	Requires a service	69-42	State	Regulation	The public is the DOI customer
Group Health Insurance Coordination of Benefits	Requires a service	69-43	State	Regulation	The public is the DOI customer
Long Term Care Insurance	Requires a service	69-44	State	Regulation	The public is the DOI customer
Data Reporting and Determination of Excess Profits	Requires a service	69-45	State	Regulation	The public is the DOI customer
Medicare Supplement Insurance	Requires a service	69-46	State	Regulation	The public is the DOI customer
Private Review Agents	Requires a service	69-47	State	Regulation	Protects insurance consumers
Life and Health Reinsurance Agreements	Requires a service	69-48	State	Regulation	Protects insurance consumers
Policy Approvals	Requires a service	69-5	State	Regulation	The public is the DOI customer
Minimum Standards for the Readability of Commonly Purchased Insurance Policies	Requires a service	69-5.1	State	Regulation	The public is the DOI customer
Continuing Insurance Education	Requires a service	69-50	State	Regulation	Protects insurance consumers
Actuarial Opinion and Memorandum Regulation	Requires a service	69-52	State	Regulation	Protects insurance consumers
Credit for Reinsurance	Requires a service	69-53	State	Regulation	Protects insurance consumers
Experience Modification for Staff Leasing Services Companies in the Workers Compensation Assigned Risk Plan	Requires a service	69-54	State	Regulation	Protects insurance consumers
Named Storm or Wind/Hail Deductible	Requires a service	69-56	State	Regulation	Protects insurance consumers
Valuation of Life Insurance Policies	Requires a service	69-57	State	Regulation	Protects insurance consumers
Recognition of the 2001 CSO Mortality Table for Use in Determining Minimum Reserve Liabilities and No forfeiture Benefits	Requires a service	69-57.1	State	Regulation	Protects insurance consumers
Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities	Requires a service	69-57.2	State	Regulation	Protects insurance consumers
Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and No forfeiture Values	Requires a service	69-57.3	State	Regulation	Protects insurance consumers
Privacy of Consumer Financial and Health Information	Requires a service	69-58	State	Regulation	Protects insurance consumers and beneficiaries
Brokers Licenses	Requires a service	69-6	State	Regulation	Protects insurance consumers Broker licensees
Captive Insurance Companies	Requires a service	69-60	State	Regulation	Protects insurance consumers
Service Contracts	Requires a service	69-61	State	Regulation	Protects insurance consumers
Closeout and Termination of the SCAIP	Requires a service	69-62 et seq	State	Regulation	Protects insurance consumers
South Carolina Reinsurance Facility Recoupment	Requires a service	69-63	State	Regulation	Protects insurance consumers
Exempt Commercial Policies	Requires a service	69-64	State	Regulation	Protects insurance consumers
Military Sales Practices	Requires a service	69-65	State	Regulation	Protects insurance consumers
Minimum Reserve Standards for Individual and Group Accident and Health Insurance Contracts	Requires a service	69-7	State	Regulation	The public is the DOI customer
Annual Audited Financial Reporting Regulation	Requires a service	69-70	State	Regulation	Protects insurance consumers
Tax Credits for Fortification Measures	Requires a service	69-75	State	Regulation	Protects insurance consumers
Safe Home Program Wind Inspectors and Contractors	Requires a service	69-76	State	Regulation	Protects insurance consumers

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Description	Purpose	Law Number	Jurisdiction	Type	Notes
Reserves for Mortgage Guaranty Insurance	Requires a service	69-8	State	Regulation	The public is the DOI customer
Proxies, Consents and Authorizations of Domestic Insurers	Requires a service	69-9	State	Regulation	Protects insurance consumers of licensees
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	8-13-10 et seq	State	Statute	Protects insurance consumers
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	8-17-10 et seq	State	Statute	Public employees are protected by this statute
The oath of office must be taken before the person can assume the duties of the office	Not related to agency deliverable	8-3-10	State	Statute	
Provides the requirements for the bond for all public officials	Not related to agency deliverable	8-3-30	State	Statute	
This legislation gives podiatrists the ability to administer the COVID-19 vaccine subject to certain conditions.	Requires a service	Act No. 100/H.3900	State	Statute	COVID-19 Administration: Podiatrists Actuarial and Product Regulation
•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	Act No. 27/H.3101	State	Statute	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

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Description	Purpose	Law Number	Jurisdiction	Type	Notes
<p>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> <ul style="list-style-type: none"> 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). oRate filings for workers compensation, inland marine, liability, etc. are all subject to prior approval and governed by this provision. oSection B applies to workers compensation insurance coverages. olt deletes the references to automobile insurance coverage that were previously included in this bill. olt also provides that the director can issue a written notice of disapproval if a filing does not comply with the provisions of chapter 73. 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. •The amendment to S.623 pulls automobile insurance ratemaking out of Section 38-73-910 and places it in new Section 38-73-905. oSection 38-73-905 address automobile insurance rates only. It permits automobile insurers a maximum of two rate increases per year. ☑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. •If an insurer requests more than one rate increase within the 7% limitation, 	Requires a service	Act No. 33/S.623	State	Statute	<p>Automobile Insurance Rate Filings Limitations The following business units will be impacted by this legislation:</p> <ul style="list-style-type: none"> •Actuarial and Product Regulation •Consumer Services •Office of General Counsel

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Description	Purpose	Law Number	Jurisdiction	Type	Notes
<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	Act No. 50/S.435	State	Statute	<p>Limited Lines Travel Insurance This legislation impacts the work of :</p> <ul style="list-style-type: none"> •Taxation/Accounting •Office of Consumer Services •Product Regulation •Office of General Counsel
<p>This legislation defines the rights of secondary beneficiaries for public employee benefits.</p>	Requires a service	Act No. 62/S.658	State	Statute	<p>Retirement systems/Secondary beneficiaries Human Resources</p>
<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	Act No. 85/S. 631	State	Statute	<p>Electronic Public Notary Act All business units that require notarized documents</p>
<p>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.</p>	Requires a service	Act No. 99/S.147	State	Statute	<p>COVID Liability Safe Harbor Act</p>

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DEPARTMENT OF INSURANCE**

Description	Purpose	Law Number	Jurisdiction	Type	Notes
<ul style="list-style-type: none"> •Eliminates the requirement for an order when the Director promulgates an emergency regulation. •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. •Clarifies the date (March 1st) that professional bondsmen must submit their financial statements to the department. •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. •Amends this section to provide policy language for claims payments for individual major medical policies subject to HIPAA. •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. •Eliminates the notice timeframes for hurricane season and provide a consistent 60-day notice requirement for nonrenewal of certain property policies •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. •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. 	Requires a manner of delivery	Act No.13/H.3585	State	Statute	SCDOI Clean-up Bill This legislation impacts various units of the Department including: <ul style="list-style-type: none"> •Director’s office •Examinations •Specialty Licensing •Actuarial and Product Regulation •Office of General Counsel
<ul style="list-style-type: none"> •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	Act No.14/H.3587	State	Statute	Reduction in Coverage <ul style="list-style-type: none"> •Product Regulation •Consumer Services •Office of General Counsel Note: The Director or his designee may issue guidance to the industry regarding the form and content of the reduction in coverage.
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	Affordable Care Act	Federal	Federal Statute	Protects insurance consumers

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Description	Purpose	Law Number	Jurisdiction	Type	Notes
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	Employee Retirement Income Security Act of 1974	Federal	Federal Statute	Protects insurance consumers
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	Gramm-Leach-Bliley	Federal	Federal Statute	Protects insurance consumers
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	Health Insurance Portability and Accountability Act (1996)	Federal	Federal Statute	Protects insurance consumers

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DEPARTMENT OF INSURANCE**

Description	Purpose	Law Number	Jurisdiction	Type	Notes
<p>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).</p> <p>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]).</p>	Requires a service	McCarran-Ferguson Act	Federal	Federal Statute	Protects insurance consumers
<p>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</p>	Requires a service	Mental Health Parity Act of 1996	Federal	Federal Statute	Protects insurance consumers
<p>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.</p>	Requires a service	Newborns' and Mothers' Health Protection Act of 1996	Federal	Federal Statute	Protects insurance consumers
<p>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.</p>	Requires a service	Pregnancy in Discrimination Act	Federal	Federal Statute	Protects insurance consumers requires licensees

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Description	Purpose	Law Number	Jurisdiction	Type	Notes
<p>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.</p>	Requires a service	Privacy Act of 1974	Federal	Federal Statute	Protects insurance consumers
<p>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.</p>	Requires a service	Sarbanes-Oxley	Federal	Federal Statute	Protects insurance consumers
<p>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.</p>	Requires a service	Terrorism Risk in Insurance Act	Federal	Federal Statute	Protects insurance consumers and licensees
<p>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).</p>	Requires a service	Women's Health and Cancer Rights Act of 1998	Federal	Federal Statute	Protects insurance consumers

FY 2020-2021 Agency Accountability Report
Services Responses:

These responses were submitted for the FY 2020-2021 Accountability Report by the
DEPARTMENT OF INSURANCE

Description of Service	Description of Direct Customer	Customer Name	Others Impacted By the Service	Agency unit providing the service	Description of agency unit	Primary negative impact if service not provided
Respond to inquiries, complaints, and allegations of unfair trade practices, unapproved rates or forms, unfair claims practices, or violation of SC insurance laws.	Citizens			SC DOI (R200)	(Consumer Services) Citizens	
When complaints or allegations are reported, an analysis is conducted to determine if unfair practices are occurring.	DOI Units, citizens, NAIC, MAWG, companies, insurers			SC DOI (R200)	(Market Regulation) DOI Units, citizens, NAIC, MAWG, companies, insurers	
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			SC DOI (R200)	(Financial Examinations) Insurance companies licensed in SC, policy holders of the insurers, and insurance companies	
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			SC DOI (R200)	(Financial Analysis) SC licensed insurance companies, policy holders, and insurance companies	
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			SC DOI (R200)	(Captive Regulation) All Companies	
Review rates, rules, policy forms of licensed insurers for compliance with the state law.	SC Licensed insurers			SC DOI (R200)	(Rate and Form Regulation) SC Licensed insurers	
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.			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.	
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			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	

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DEPARTMENT OF INSURANCE

Description of Service	Description of Direct Customer	Customer Name	Others Impacted By the Service	Agency unit providing the service	Description of agency unit	Primary negative impact if service not provided
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			SC DOI (R200)	(Special Services) Third party administrators, Premium finance companies, service contract providers, utilization review organization, and bail bondsman	
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			SC DOI (R200)	(General Counsel) DOI units and citizens	
Provide budgeting, financial planning, payroll processing, revenue collection, procurement and office management.	DOI staff, the Budget and Control Board, and the legislature			SC DOI (R200)	(Finance and Accounting) DOI staff, the Budget and Control Board, and the legislature	
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			SC DOI (R200)	(Human Resources) Potential employees and DOI staff (current and past); SC Budget and Control Board, OHR, SC Office of Human Affairs	
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			SC DOI (R200)	(Information Technology) Agents, brokers, insurance companies, DOI staff citizens, and other agencies	
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			SC DOI (R200)	(Taxation) Insurance company officials, insurance agencies, brokers (surplus lines), agency tax writers, and citizens	
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			SC DOI (R200)	Safe Home Program (Hurricane Mitigation) Residents in owner-occupied coastal homes	

These responses were submitted for the FY 2020-2021 Accountability Report by the

DEPARTMENT OF INSURANCE

Description of Service	Description of Direct Customer	Customer Name	Others Impacted By the Service	Agency unit providing the service	Description of agency unit	Primary negative impact if service not provided
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			SC DOI (R200)	(Residual Market Mechanism) Consumers, Agents, Insurers Real Estate Market, other government agencies	
Manage records, file storage, and historical retention schedules. Assist customers in locating files per their request.	Everyone			SC DOI (R200)	(Records Management and Auxiliary Services) Everyone	

Agency Partnerships Responses:

These responses were submitted for the FY 2020-2021 Accountability Report by the

DEPARTMENT OF INSURANCE

Name of Partner Entity	Type of Partner Entity	Description of Partnership
Institute for Business and Home Safety	Private Business Organization	Partner with IBHS to provide mitigation credits to qualifying retrofits completed under the SC Safe Home grant program
Municipal Association of South Carolina	Private Business Organization	Municipal Association collects taxes for municipalities across SC. Agreement with the MASC to facilitate the collection of taxes
SC Attorney General's Office	State Government	No formal arrangement, just agency to agency cooperation on various common issues from time to time regarding fraud and legal issues
SC Consumer Affairs	State Government	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.
SC Department of Motor Vehicles	State Government	Informal agreement to exchange information related to enforcement of the South Carolina insurance laws
SC Dept. of Revenue	State Government	MOU associated with electronic payments (ACH)
SC Wind & Hail Association	Private Business Organization	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.)
SC Workers Compensation	State Government	No formal arrangement, just agency to agency cooperation on various common issues from time to time regarding rates and various committees and task forces
SC.Gov	Private Business Organization	MOU associated with electronic payments (credit cards)
South Carolina Department of Social Services	State Government	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

FY 2020-2021 Agency Accountability Report
Reports Responses:

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DEPARTMENT OF INSURANCE

Report Name	Law Number (If required)	Summary of Information Requested in the Report	Most Recent Submission Date	Reporting Frequency	Type of Entity	Method to Access the Report	Direct access hyperlink or agency contact
FY2019 Agreed Upon Procedures Audit		External Audit Report		Annually	South Carolina state agency or agencies	Available on another website	https://osa.sc.gov/reports/