



2024 Annual Accountability Report

Department of Insurance

Agency Code: R200

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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, and the Wall Street Reform and Consumer Protection Act (commonly referred to as Dodd-Frank), which created the Federal Insurance Office (FIO) within the United States Department of Treasury. FIO continues have a significant impact on U.S. insurance markets and its regulation.

The Federal Insurance Office (FIO) was established by Title V of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) and is charged with providing expertise on insurance matters to the Treasury Department and other federal agencies. It is not a regulatory agency but an advisory agency. The FIO is charged with monitoring all aspects of the insurance sector including 1) identifying activities within the sector risks that could potentially contribute to a systemic financial crisis, 2) the affordability and availability of insurance to under-served communities, and 3) its regulation. FIO released its most recent report on the insurance industry in September 2023. It also released a report in June 2023 focused on the impact of climate related risks on the insurance industry. FIO’s June 2023 report focused specifically on climate risk oversight in the insurance industry. While FIO acknowledges the increased financial risks posed by the effects of climate change and the action taken by state insurance regulators, it believes more needs to be done to effectively manage the exposure of climate risk to the solvency of financial markets.

FIO recommends in its 2023 reports that regulators and the insurance industry must fully consider the full extent of the insurer’s risk to climate-related events citing trillions of dollars in insurers own in investments. FIO recommends state insurance regulators expand its work on climate risk by being more uniform and capturing more granular data. It also recommends that climate risk be incorporated into risk-focused financial analyses and examinations and RBC calculations. Additionally, FIO wants regulators to consider the impact of climate-related risks in underwriting, investment and reinsurance in the voluntary, residual and surplus lines markets. Many of the recommendations included by FIO are already underway. Concomitantly, FIO is in the process of a data collection effort that includes underwriting and homeowners’ policy data that it believes will help inform the nation’s financial response to natural catastrophes.

FIO’s interest in insurance regulation is not just focused on the impact of climate-related risks on the financial sector. FIO is also concerned about the increased use of big data and technology such as artificial intelligence and machine learning in the insurance industry in the areas of underwriting, claims processing and customer service. Those concerns involve the risk around fairness and privacy. FIO is monitoring state actions to protect data privacy in this industry.

Challenge: Climate-related Disasters

Climate change risk has been prioritized in the United States as an urgent threat that needs to be addressed, and the insurance industry has a role in the process. The Financial Stability Oversight Council (FSOC) identified climate-

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related financial risk as an emerging threat to the financial stability of the United States and increasingly spotlighted the administration’s efforts to manage its effects and avert a climate disaster on both a market and a humanitarian basis. At some point the Federal Insurance Office (FIO) is expected to produce a report seeking to identify gaps in state-based climate-risk oversight. The FIO intends to collect data from insurers to assess climate risk vulnerabilities to insurers and to the population. This work has the support of the Treasury Secretary who commented that the Treasury wants a better understanding of the insurance market’s vulnerabilities to climate change. Additionally, the SEC has promulgated climate disclosure requirements that may eventually impact the insurance industry. The NAIC has also updated its climate risk disclosure requirements as well.

Climate-related disasters such as fires, floods and hurricanes are the perils expected to be more frequent and more severe, according to experts. Consumers and property insurance markets will face insurance availability and affordability issues marked higher prices or inadequate coverage. Insurers should expect more requirements for disclosing climate related claims data from state and federal regulators. To respond to consumer concerns, state policymakers are hosting hearings and town meetings to address property insurance affordability issues due in part to the impact of extreme weather events. The surplus lines market and residual market mechanisms are playing an enhanced role in ensuring the availability of coverage.

Challenge: Data Privacy and Cyber Security

Data privacy and security is not only considered privacy but also a potential national security risk. The insurance sector will also continue to see the expansion of cybersecurity disclosure requirements as technology advances, with regulators wanting to keep an eye on companies’ resilience planning, their internal controls, and their cybersecurity training regimens. When so much is at stake for customers with their personally identifiable information (PII) discoverable through breaches, not only have companies’ IT and compliance departments prioritized data privacy hygiene, but leadership also considers it a top priority.

Policymakers are closely monitoring the growing use of artificial intelligence (AI) for potential negative outcomes for large segments among disadvantaged groups due to potential biases that could be embedded in data inputs. The National Association of Insurance Commissioners (NAIC) has resolved to address this through the process of identifying issues that could later involve course correcting at the company level. Regulators are discussing plans to adopt a framework of algorithmic accountability (governance requirements and artificial intelligence protocols) for the use of AI by the insurance industry to help prevent bias and unfair discrimination. Insurers who use third party vendors will be responsible for any violations. FIO is also concerned about the increased use of big data and technology such as artificial intelligence and machine learning in the insurance industry in the areas of underwriting, claims processing and customer service and is monitoring state activity in this area.

Regulators are concerned about the risk of a growing dependency on critical third-party providers as they assume control over crucial elements of company processes. More oversight and testing of an insurer’s internal controls is expected in the coming fiscal year. Insurers should already have an information security program in place to sift through their virtual and even physical warehouses containing personally identifiable information PII, including how it is stored, its necessity both currently and going forward, and where it should be housed.

The South Carolina General Assembly enacted an insurance data security law in 2019, and additional state-based legislative activity for privacy laws is rapidly moving forward in other states. Under South Carolina’s data security law, insurers are required to notify the Department of any breaches in their security systems and to certify annually their compliance with the law. On average the Department receives about 4.5 notifications per month through its cyber event portal. A review of the portal reflects that thirty-five (35) notifications were

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received in calendar year 2020; fifty-five (55) in calendar year 2021; forty-six (46) in calendar year 2022; sixty-two (62) in 2023 and 36 to date this calendar year. Overall, there were 69 reported cyber security events for the 2023-24 fiscal year. Regulatory scrutiny of the insurer’s information security programs and how insurers use, and store data is expected to increase at the state and federal level during the next fiscal year.

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

The increased use of this technology and artificial intelligence means that insurers are prime targets for data/information security breaches. State and federal governments are enacting laws to protect consumer information from hackers and from being sold without the consumer’s consent. This technological reliance also brings additional regulatory challenges involving potential unfair discrimination. The NAIC Big Data and Artificial Intelligence (H) Working Group is charged with reviewing existing regulatory frameworks used to oversee the insurers’ use of consumer and non-insurance data.

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

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. New staff have benefited from this knowledge transfer and have successfully acclimated to the Division. Two new actuaries were brought on board, replacing one who previously retired and one appointed as agency Director. The new actuaries bring decades of industry experience and knowledge. 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. Our unit has also focused on embracing the post-pandemic workplace by scheduling virtual meetings with insurance carriers and offering optional part-time telework schedules for employees. This adaptation aligns closer with today’s accepted business practices and serves as an additional benefit for Market Services analysts.

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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 property and casualty marketplace, specifically automobile insurance, feeling the effects of inflation as the price of vehicles and replacement parts remains elevated. Reports of continued increasing pressure on claims costs have led to significant rate increases being requested from carriers in the personal automobile market. Inflation has impacted the automobile market as well as the homeowner’s insurance market, as necessary coverage amounts continue to rise. While insurer insolvencies have stopped, our coastal property market is still recovering and, as reinsurance costs rise, so do the premiums for coastal insureds. We strive to balance market affordability and the need of insurance carriers to charge an adequate premium to cover claims.

We have reported the results of last year’s data call regarding the availability and affordability of liquor liability insurance in South Carolina. Compared to other Southeastern states, South Carolina’s law requires a higher aggregate limit of insurance coverage for retail liquor sales. We will continue to monitor the market and assist both insurance carriers and business owners to facilitate a healthier marketplace.

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

Personnel changes and retention have been areas of focus in the Licensing and Consumer Services Division. This past year, key positions were filled with experienced individuals bringing the units to full staff. The depth of talent remains strong, and retention of staff remains key along with knowledge transfer to ensure a solid succession plan. 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.

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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. Small organizational changes were made over the past year to allow for growth paths for more seasoned staff members, and also reducing the number of staff required in the unit.

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

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

The Licensing & CE Division continues to work with the NAIC and the National Insurance Producer Registry (NIPR) to modernize and streamline our processes and take steps to improve uniformity and reciprocity with regards to producer licensing. During this past legislative session, legislation was passed requiring bondsmen to pass the property and casualty producer licensing exam to be licensed as a bondsman. Staff is gearing up for this requirement's effective date at the beginning of 2024.

Our offices of specialty licensing and Pharmacy Benefit Manager Oversight will also be affected by legislative changes in the upcoming year. New legislation now provides the SC DOI with oversight of Pharmacy Services Administrative Organizations (PSAO's). Additional staffing needs are currently being addressed and postings have been published for a new analyst, administrative coordinator, and a pharmacist to consult on the implementation of the new legislation. This unit will continue to build out as our regulatory authority over PBMs potentially increases even more. We will continue to tweak these assignments to maximize operational quality, service efficiency, and Departmental productivity, with increased attention to knowledge transfer and the addition of promotable staff to back up existing management.

Financial Regulations & Solvency

The key strategic challenges confronting the Financial Regulation & Solvency Division involve our ability to effectively regulate the financial solvency of our domestic industry and maintain our accreditation by the National Association of Insurance Commissioners (NAIC), 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

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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, Puerto Rico, and the U.S. Virgin Islands are currently accredited.

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

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 must occasionally place restrictions on companies prior to licensing them. We continually monitor their compliance with these restrictions and take action, when necessary, usually in conjunction with the state of domicile.

The increasing globalization and interconnectedness of financial services firms with other, non-financial firms has given rise to systemic risks with a potentially global impact. 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 and all other U.S. jurisdictions continue to work to understand the effects of ongoing international discussions on insurance regulation and supervisory standard-setting on the U.S. regulated industry. The Department is actively following these international developments 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. Another key challenge for our division involves growing the captive industry while maintaining our stellar reputation as a domicile of choice for operating companies that conduct business on a national or global scale, and ensuring these entities are appropriately regulated for solvency. We routinely exhibit at industry conferences, partner with service providers based in South Carolina to license new companies, work to remain competitive with other states, and offer significant value to captive owners so that they continue to make a material economic impact in this State.

Recruitment and retention and personnel turnover continue to present a challenge for this Division. The examination section currently has one vacancy, and the cumulative experience of examination staff has decreased in recent years due to the departure of several veteran examiners over time. As for financial analysis, we are currently in the process of trying to fill several analyst positions, and turnover has also had a significant adverse effect on the overall experience of our analysis staff.

The hiring and retention of qualified financial examination and analysis staff is made more challenging by competition from the private sector, which offers more lucrative compensation, and by the fact that "one size fits all" State salary restrictions do not necessarily address the demands of the analyst and examiner positions, and the depth and extent of specialized financial expertise required. Over the past few years, a considerable

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number of analysts have left for higher-paying jobs in the private sector; and, compensation of examiners is not commensurate with that offered by other states, nor is it in line with NAIC guidance. Recruiting efforts must be enhanced and salaries increased to attract and retain employees with the necessary expertise within the Division of Financial Regulation and Solvency.

The Division’s hiring of interns as a recruiting tool and the use of promotion from within has resulted in limited success in hiring and retaining analysts; however, all new financial examiner hires have come from outside the agency. To meet its regulatory obligations, the Division will likely have to contract with outside consultants during the next year to ensure that financial analysis and examinations are performed in a timely manner and that inexperienced staff receive needed training.

Office of General Counsel, Compliance and Enforcement

The Office of General Counsel provides legal services and advice to the Department of Insurance. Its general practice areas include the following:



The major goals and areas of focus for the OGC include:

- Delivering quality and practical legal, investigative and compliance services that promote integrity, efficiency and effectiveness in the Departments operations.
- Planning effectively for the succession of the Office of General Counsel
- Identifying risks in SCDOI programs and operations and making legal recommendations to improve operations and mitigate risk
- Serving as a resource for informed decision making and creative problem solving to facilitate the Department’s mission.

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For much of the past fiscal year, the OGC operated with a staffing shortage. The following highlights the work of this OGC over the past fiscal year despite its staffing challenges:

- **Technical advice and assistance on regulatory matters including:**
 - **Bail Bond Reform.** The Office of General Counsel (OGC) assisted with the drafting and implementation of various orders implementing Act No. 83 of 2023 (R-98, H. 3532) (“Bond Reform Act”) including the drafting of forms and updating of processes related to the Act’s implementation. OGC staff continues to work with Department staff and other stakeholders on enforcement issues and outreach related to the commercial bail bond industry.
 - Implementation issues related to the implementation of the PBM and PSAO legislation. The OGC drafted, reviewed or assisted with:
 - Bulletin 2024-03: External Review Procedures for PBMs.
 - Implementation issues related to S.C. Act No. 166 of 2024 and S.C. Code Ann. Regs. 69-78, *see* SCDOI Bulletin Number 2024-05.
 - Other 2024 South Carolina Legislative Changes.
 - Clarification of ancillary Benefit as nonessential health benefits.
 - Regulatory Guidance on topics including reviewing bulk transfers, voluntary license surrenders; modifications to IRO applications, application denial checklists; Proofreading orders, Redacting Confidential Information, etc.
 - **Employment Law Issues.** OGC staff advised on a number of employment related issues ranging from policy development to internal investigations to responding to inquiries from external regulatory agencies about complaints. OGC also manages all discrimination-related and employment administrative claims to and investigated by outside agencies. Outside counsel specializing in employment law are often associated to review agency counsel responses as needed. The OGC handled more than 20 employment-related issues during the past fiscal year. The number of external complaints decreased over the past year. To date, the Department has not had an adverse determination.
 - **Internal Trainings.** The OGC has conducted training sessions for members of the OGC and other Departments on topics that include the following: Investigative Procedures, Overview of the Regulation of the Bail Bond Industry; License Denials and Enforcement, Overview of Insurance Regulation; Ethical Responsibilities of Nonlawyer staff and Administrative Law for Paralegals and Legal Assistants.

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

Name of Receivership	Type
Oceanus Ins. Co., an RRG 2016-CP-40-00034	Liquidation (Med. Mal. RRG)
South Carolina Health Cooperative, etc. 2014-CP-40-7340	Rehabilitation (SC Co-Op)
SCIC/CAIC 05-CP-40-1230	Liquidation
Transportation Insurance Services RRG	Liquidation (Comm. Trucking RRG)

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Senior Health Insurance Company of Pennsylvania	Rehabilitation in State of Domicile (PA); DJ action in SC state court
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FOIA and Subpoena Requests. OGC staff processed 62 FOIA requests down from 76 FOIA requests during the previous fiscal year and 5 subpoena requests compared to 4 in the previous fiscal year.

- **Service of Process.** OGC staff processed 4,859 SOP requests compared to 4,668 SOP requests in FY 2023 4,864 SOP requests in FY 2022. The charts below show the breakdown for the previous fiscal years:

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

Service of Process Fiscal Year July 1, 2023, to June 30, 2024	
Month/Year	Numbers
July 2023	364
August 2023	408
September 2023	419
October 2023	356
November 2023	317
December 2023	314
January 2024	529
February 2024	469
March 2024	450
April 2024	420
May 2024	436
June 2024	377
Total:	4,859

- **Investigations and Enforcement.** The Department enforces the insurance laws of the State of South Carolina. It is responsible for investigating, examining and resolving cases involving insurance companies, health maintenance organizations (HMOs), producers, agencies, other licensees and applicants. Violations are resolved through consent order, voluntary compliance and through the imposition of administrative disciplinary actions. The Compliance and Enforcement functions consist of investigations and market regulatory oversight. Set forth below is a summary of the investigations conducted over the course of the past fiscal year:

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

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In addition to the foregoing, the Department responded to 5 enforcement proceedings filed in the South Carolina Administrative Law Court. More than \$2 million was remitted to the South Carolina General Fund this fiscal year based on receivership litigation. The information in the table above highlights some investigative activity. It may not reflect all enforcement activity.

Market Regulation

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

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

- Processed 22 MCAS waivers and 139 extensions.
- Processed 11 Form 1122 HMO Reports; 16-IRO/Insurer External Review Reports; 546 Certificates of Advertising reviews and developed 7 LAH Complaint summary reports for the DOI website.
- Completed 16-Level 1 Checklists based on indications from the MAPT report.
- Updated application and guidelines for review and approval of Independent Review Organizations.
 - Processed 8 Independent Review Organization Renewal Applications and one new IRO application.
 - Modified application forms for PBM external reviews
- Conducted trainings for Property and Casualty staff on various lines of insurance as requested.
- Participated on 3 market conduct examinations on which South Carolina was a lead state.
- Handled 25 market regulation complaint reviews: (closed: 6; monitoring: 2; 4-legal referrals and 13 open files.
- Reviewed 303 SERFF property and casualty rule, rate and form filings.
- Worked with DOI staff and the Materials Management Office of State Procurement to extend the contracts of contract examiners for 3 additional years.
- Collected a monetary penalty for \$47,750.

Insurance Fraud Division

The Insurance Fraud Division was established by the Omnibus Insurance Fraud and Reporting Immunity Act in 1994. This Act created the Division within the Office of the Attorney General to prosecute insurance fraud throughout the State. The Act further requires the South Carolina Law Enforcement Division (SLED) to investigate allegations of insurance fraud. In 2021, the Office of the Attorney General, SLED, and the Department of Insurance entered into a Memorandum of Understanding to relocate the Insurance Fraud Division to the Department of Insurance.

The first challenge faced by the Department is the building of this new Insurance Fraud Division. Shortly after entering the MOU, the Department was able to acquire additional office space to house the new employees of the Division as well as the SLED agents assigned to investigate insurance fraud. Although the Insurance Fraud Division moved from the Attorney General's Office to the Department of Insurance, the AG employees of the

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Division remained with that office. The new Director of the Insurance Fraud Division joined the Department of Insurance in September 2021. Despite a competitive job market coming out of the Covid-19 pandemic, the Insurance Fraud Division was staffed by December 2022 with five prosecutors (including the Director), a program coordinator, and two paralegals. A combination of internal promotion and employee turnover resulted in several vacancies to be filled in 2024. Two paralegals have been hired. The Department is currently recruiting to fill the remaining attorney vacancy which, when filled, will restore the Insurance Fraud Division to the December 2022 staffing levels. In addition to filling these paralegal and attorney vacancies, the Insurance Fraud Division will also be seeking to hire a law clerk and an intern to both assist with current workload needs and to create a potential pipeline for future full-time employment as new vacancies occur.

The Insurance Fraud Division also faces a challenge related to investigative resources. In 2009, SLED had four agents assigned to investigate insurance fraud. In that year, the Division received 834 complaints. Since 2021, the Division has received more than 3,000 complaints each year. Pursuant to the MOU, SLED obtained a new agent FTE position, bringing the total number of potential agents up to five. However, since that time one agent passed away following a long illness while 3 other agents retired. The insufficient number of available agents and turnover has resulted in both a backlog of cases and a bottleneck preventing the investigation of new cases. The Department of Insurance has requested that SLED obtain additional FTE positions to meet these needs. Specifically, SLED will be seeking to obtain additional FTE positions for two agents and one analyst/hybrid position in FY25. These positions will help get investigations back on track, but even more positions will likely be needed in the near future to keep up with the growing number of insurance fraud complaints.

Another challenge faced by the Insurance Fraud Division is the lack of a fully functional case management system and incompatibility of SLED and DOI software and information exchange capabilities.

To address this challenge, the Department of Insurance has been developing a new case management system (HighQ) to track and dispose of cases while recording important reporting and trend data at the same time much more efficiently. This new system would hopefully aid in the transfer of files between the Insurance Fraud Division and the assigned SLED agents who will have limited access to the new system. The first phase of this system went into operation in mid-2022. This first phase addresses the input of incoming fraud referrals and preliminary decisions or actions taken on each referral. The second phase was expected to become operational in the fall of 2023. This second phase is intended to track the matters that have been opened for investigation and prosecution. As of Summer 2024, the second phase does not yet have successful functionality. The Department of Insurance is continuing to work with the vendor while exploring alternative products at the same time.

Once a fully operational case management system is fully in place and the Division and SLED are fully staffed, we expect to be able to better address new cases and the backlog at the same time.

Challenge: Cybersecurity and Insurance Regulation in a Digital World

The most significant trend in the insurance industry is its growing use of artificial intelligence in claims, distribution, underwriting and pricing of insurance. The proliferation in the use of artificial intelligence can be attributed in part to the COVID-19 pandemic insurers had to expand its digital capabilities to adjust to a new remote work environment. Insurers are leveraging the data from connected devices (aka the Internet of Things) to develop new products and implement new pricing. There is also tremendous interest in sharing this type of data. Some envision a circumstance where data from connected devices could be shared directly with insurers allowing the insurer to underwrite, price and the applicant to purchase the product in real-time.

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Some property and casualty insurers will use this information about behavior and AI algorithms to decrease cycle times by creating risk profiles that will enable to issue a policy in minutes. Life, accident and health insurance writers are also trying to figure out how to use AI to identify and price risks. Because this type of data enables insurers to make decisions based on forecasts rather than actual results regulators must be concerned about the assumptions that are being programmed into the predictive models used by insurers.

Consumer protection is the principal regulatory concern with AI and Big data. AI can facilitate policy distribution and automate processes. However, it can also result in increased potential for inaccuracy, unfair discrimination, and data and privacy vulnerabilities. While the Insurance Department encourages innovation, insurers utilizing this type of technology must continue to comply with state and federal laws governing nondiscrimination, confidentiality and privacy including the South Carolina Insurance Data Security Act.

This Department will promulgate guidance during this fiscal year that will remind insurers transacting business in South Carolina of their responsibility to verify that data usage is appropriate for marketing, writing and rating. As the insurance regulator in South Carolina, we must be able to assess a combination of model inputs to verify their appropriateness. Insurers are expected to adopt practices, including governance frameworks and risk management policies and strategies ensure that the use of AI does not result in 1) unfair trade practices; 2) unfair claim settlement practices or 3) unfair discrimination. Insurers transacting business in this state must not violate these general statutory requirements regardless of the technologies used to determine or support its business objectives. Additionally, insurers must report on governance practices and provide a summary of the Insurer's corporate governance structure, policies, and practices pursuant to South Carolina's corporate governance requirements for insurers. These requirements apply to the Insurer's use of AI as a part of insurers' overall business strategies.

South Carolina law prohibits insurance rates from being excessive, inadequate, or unfairly discriminatory. South Carolina's rating laws apply regardless of the methodology the Insurer uses to develop rates, rating rules, and rating plans. Accordingly, an Insurer is responsible for ensuring that rates, rating rules, and rating plans developed using AI technologies and predictive models that rely on data and machine learning do not result in rates or practices that violate South Carolina law. The Department will use its financial and market regulation tools to ensure an in insurers AI does not violate state or federal insurance laws.

Challenge: Workforce Planning and Capacity

Since Covid, filling vacancies at the department with the State HR guidelines on salary ranges has been more difficult to say the least. Many applicants are demanding higher salaries than the State currently offers and expect full-time remote options. Therefore, we intend to request a reasonable budget increase for the retention of existing employees and hiring of new employees.

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. For four years now, every employee has completed an Individual Development Plan (IDP) and the "most urgent" positions held by employees have also completed a Knowledge Transfer Plan (KTP). Both are incorporated into the annual performance review process. These documents capture our most "critical" tasks and establish yearly objectives to document and cross-train others to minimize the number of tasks where institutional and expertise is limited

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to only a few “key” employees. We recently started working with a consultant to review our plan and processes. No other agencies appear to have a model like ours to follow.

The Department’s employees are 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.

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, 2024: Collected \$376,341,094 in revenue from taxes, fees, assessment and fines, etc. Reviewed and analyzed 9,044 rate, rule and form filings. 5,847 were related to property and casualty insurance products and the remaining 3,197 were related to life, accident and health insurance products. The Department’s Office of Consumer Services resolved 3,711 complaints during the fiscal year. Reviewed the South Carolina Code of Laws, Title 38 to determine what, if any, laws that are unnecessary and issued 10 bulletins clarifying issues related to the implementation of South Carolina insurance laws. Implemented a more robust outreach plan which consists of an enhanced website, additional community events, and enhanced market assistance activities in the communities affected by various disasters or other natural events. Enhanced the quality and efficiency of the services provided to stakeholders by automating processes and upgrading technology to enable the Department to be more responsive and to secure the data maintained by the agency.

Risk Assessment and Mitigation Strategies

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

Risk assessment and mitigation are necessary to enable the Department to fulfill its mission and to effectively manage its risk exposure. Like most other businesses, the Department’s risks include: 1) compliance risk (adherence to laws and regulations); 2) operational risks (day-to-day practices); 3) reputational risks; 4) external risks (economic conditions and budgets); and 5) internal risks (information breaches and noncompliance). Set forth in the table below are the risks the Department encounters and its mitigation strategies:

Risk	Mitigation Strategy
Compliance Risk (adherence to laws and regulations)	➤ Employees are required to adhere to the best practices established by insurance departments through their participation in the National Association of Insurance Commissioners. SCDOI practices and procedures are required to

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	<p>consistent with NAIC practices and guidelines unless otherwise noted in South Carolina law. (Examples: NAIC Market Regulation Handbook, Financial Examination Handbook; Financial Analysis Handbook).</p> <ul style="list-style-type: none"> ➤ Employees are required to read and understand the South Carolina statutory provisions they are charged with implementing. (Example: Requirement is incorporated in employee’s planning stage and performance is noted on the evaluation instruments. ➤ Employees are required to attend internal training and trainings sponsored by the NAIC and other organizations related to insurance regulation. (Examples: NAIC Annual Meeting.
	<ul style="list-style-type: none"> ➤ Supervisors and managers are trained on the legal implications of their supervisory responsibilities via state and internal training. (Examples: Supervisors and Managers as Leaders; SCDOI Policies and Procedures Overview; Bullying in the Workplace, Your Role as a Data Owner.
	<ul style="list-style-type: none"> ➤ Employees are trained on state laws affecting the Department as well as Departmental policies and procedures annually. (Examples: S.C. Ethics Laws; State Privacy Laws; etc.)
	<ul style="list-style-type: none"> ➤ SCDOI employees must confer with counsel before taking any action that poses a legal, compliance or litigation risk to the agency.
Operational Risks (day-to-day practices)	<ul style="list-style-type: none"> ➤ SCDOI employees are required to employ best practices in the performance of their job responsibilities ➤ SCDOI employees are provided templates, tools, and checklists to enable them to effectively perform their work assignments ➤ SCDOI employees are required to participate in courses that familiarize them with insurance terminology and how insurance works
External Risks (economic conditions and budgets)	<ul style="list-style-type: none"> ➤ The Department’s ability to achieve its mission is dependent upon having stable funding to perform regulatory tasks and meet regulatory challenges. Accordingly, the Department tries to automate processes as much as possible to enhance efficiency and minimize costs. ➤ The Department also attempts to forecast its regulatory needs and to implement them over several years.
Internal Risks (information breaches and noncompliance)	<ul style="list-style-type: none"> ➤ SCDOI requires all employees sign a confidentiality agreement to protect the confidentiality of the information they handle on a daily basis. ➤ SCDOI employees are also provided documents to help them identify confidential information and to apprise them of legal requirements for protecting them.

Data security and privacy continue to be significant risk factors for most organizations. The more data the Department retains the greater the risk exposure. Emerging data sources such as social media, Office 365, G-mail and cloud-based collaboration applications are targets for hackers. The Department mitigates its risk exposure risk through enforcement of its information policies and procedures and training. Specifically, the Department:

- Limits the amount of PII its collects and maintains, destroying unnecessary files in accordance with state record retention requirements,
- Conducts phishing campaigns regularly.
- Limits employee access to data (least privilege) and
- Requires employees to participate in KnowB4 training modules.

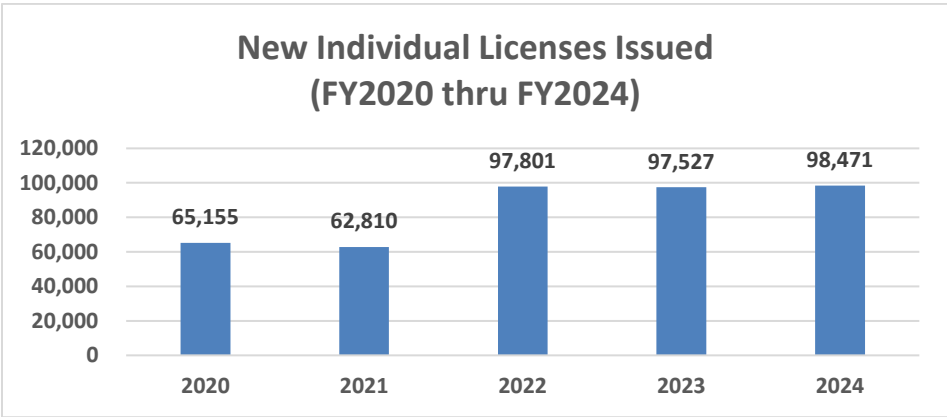
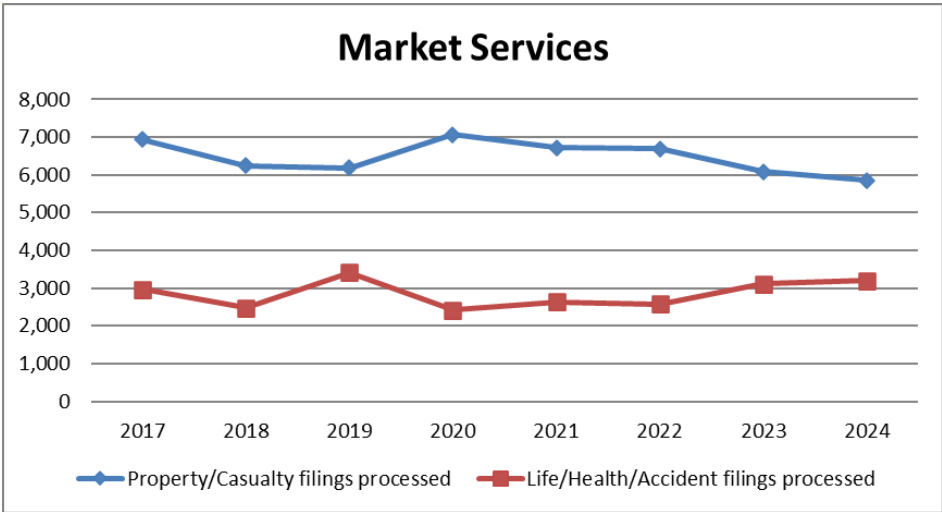
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Compliance with Department data security requirements are also included in employee performance appraisals. New employees are also required to participate in training before they can access Department systems.

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

Legislatures can help mitigate the risk by:

- Appropriating sufficient funds or providing a dedicated funding source to ensure the Department to enable the Department to attract and retain adequate and competent personnel; and
- Review and enact laws periodically to ensure that they protect the insurance-buying public from improper market practices and are compatible with new electronic delivery platforms and artificial intelligence technologies used by the insurance industry.



Using the Accountability Report to Improve Organizational Performance

The Department uses the Accountability Report to annually evaluate and critique the progress of the agency’s strategic plan. The Report is also used to initiate discussion about potential changes or additions to the current

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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, effectiveness and commitment to its stakeholders.

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SC Department of Insurance

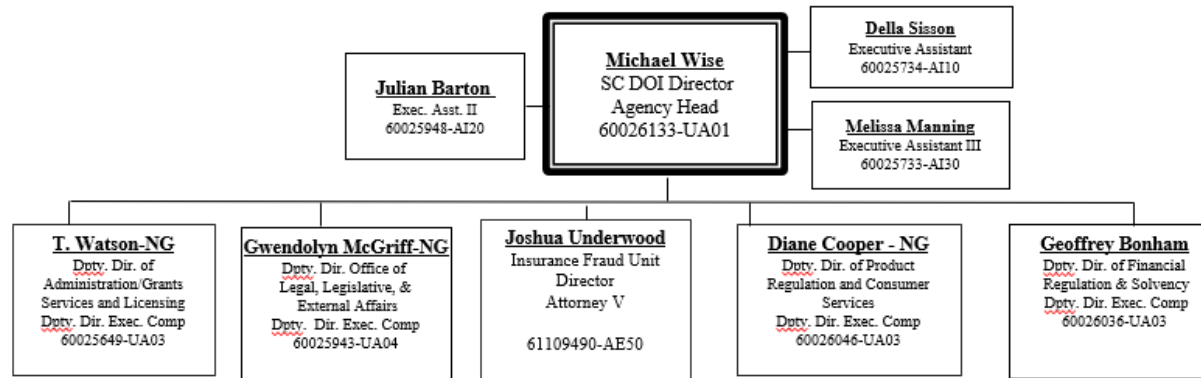
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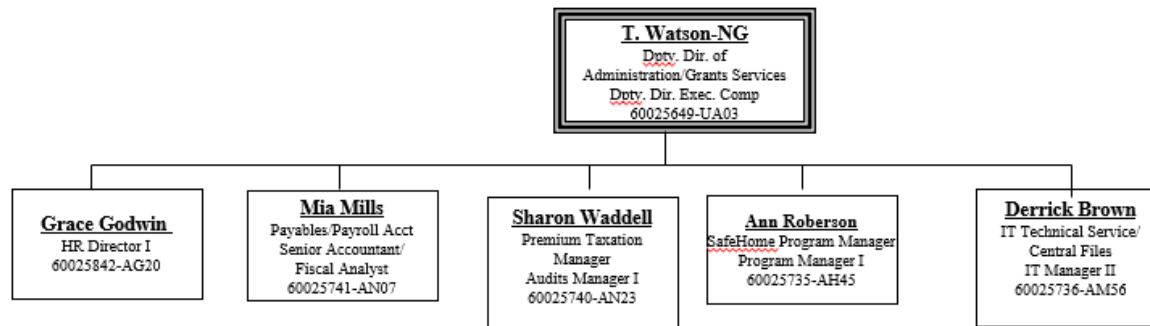
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South Carolina Department of Insurance
Executive Services



South Carolina Department of Insurance
Division of Administration



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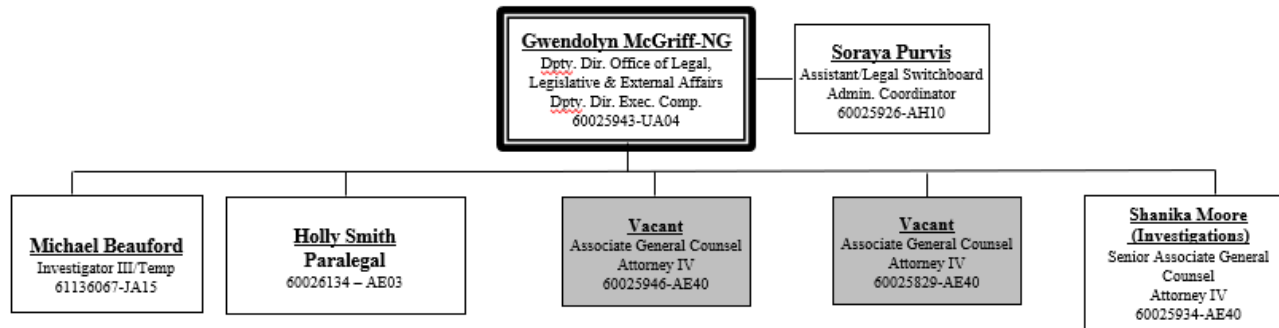
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South Carolina Department of Insurance
Division of Licensing and Consumer Services



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



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SC Department of Insurance

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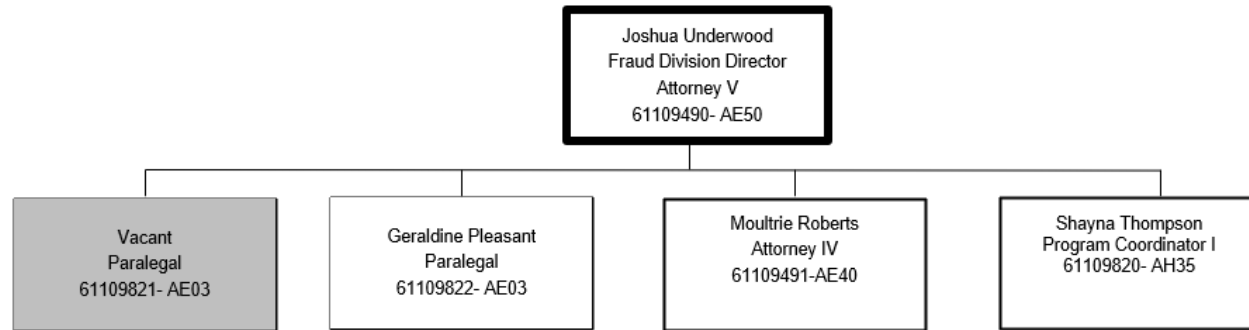
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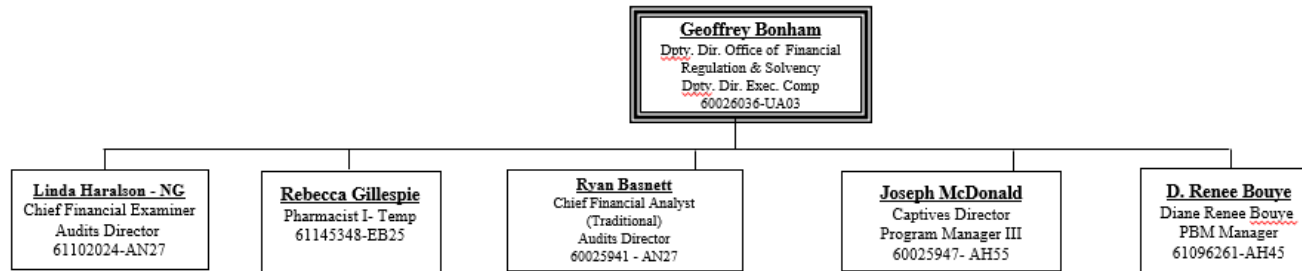
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South Carolina Department of Insurance

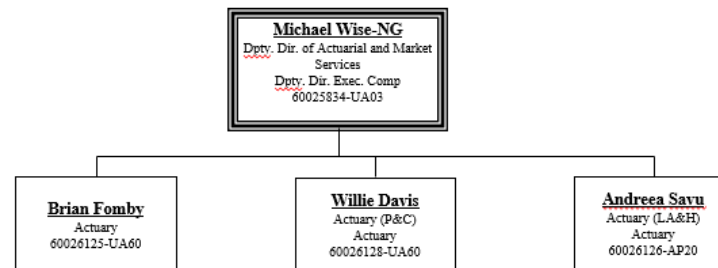
Fraud Division



South Carolina Department of Insurance
Division of Financial Regulation & Solvency



South Carolina Department of Insurance
Division of Actuarial and Market Services



2024

Reorganization and Compliance

as submitted for the Accountability Report by:

R200 - Department of Insurance

Primary Contact

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

Secondary Contact

First Name	Last Name	Role/Title	Email Address	Phone
Mia	Mills	Senior Accountant, Accounting & Payroll	mmills@doi.sc.gov	(803) 737-6111

Agency Mission

Adopted in:

2012

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

Agency Vision

Adopted in:

2012

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.

Recommendations for reorganization requiring legislative change:

None

Agency intentions for other major reorganization to divisions, departments, or programs to allow the agency to operate more effectively and efficiently in the succeeding fiscal year:

None

Significant events related to the agency that occurred in FY2024

Description of Event	Start	End	Agency Measures Impacted	Other Impacts
No significant performance measures were affected.				

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

Reason agency is out of compliance: (if applicable)

Is the agency in compliance with various requirements to transfer its records, including electronic ones, to the Department of Archives and History? See the Public Records Act (S.C. Code Ann. § 30-1-10 through 30-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).

Yes

Does the law allow the agency to promulgate regulations?

Yes

Law number(s) which gives the agency the authority to promulgate regulations:

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

Has the agency promulgated any regulations?

No

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

Yes

(End of Reorganization and Compliance Section)

FY2024

Strategic Plan Results

as submitted for the Accountability Report by:
R200 - Department of Insurance

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

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
1.1 Process Rates, Forms and Licenses promptly														
State Objective: Government and Citizens														
1.1.1	Percent of licenses who renew online	0.97%	0.80%	0.97%	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.100000.000	
1.1.2	Number of life, accident and health (LA&H) insurance rate and form filings processed	3,107	2,633	3,197	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.250000.000	
1.1.3	LA&H Filing Turnaround Time	12.72	20.23	13.1	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.250000.000	
1.1.4	Number of property and casualty (P&C) insurance rate, rule and form filings processed	6,082	6,712	5,847	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.250000.000	
1.1.5	P&C Filing Turnaround Time	11.69	12.06	14.45	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.250000.000	
1.1.6	Totals number of licensed agents	326,530	247,353	322,957	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of agents	Licensing System	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.100000.000	
1.1.7	Number of regulated companies and other carriers (Traditional & Captives)	2,112	1,799	2,253	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	What is included in this count?	Company Licensing System	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
1.1.8	Producer Licensing Turnaround Time (hours)	2.65	7	2.87	Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average turnaround time in house		Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.100000.000	
1.1.9	Newly Licensed Individuals	97,514	82,865	98,471	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of new licenses issued	Licensing System	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.100000.000	
1.2 Recruit new insurers to SC to write in underserved markets														
State Objective: Government and Citizens														
1.2.1	Track insurance entities licensed/approved/registered in SC	286	815	79	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
1.3 Monitor insurer solvency through financial analysis and examinations														
State Objective: Government and Citizens														
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)	356	292	352	Count	equal to or greater than	Calendar Year (January 1 - December 31)	Number of reviews	Traditional Supervising Analyst	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
1.3.2	Captive Business Plan Changes - total days (receipt to closure)	3.49	7	9.9	Count	equal to or less than	State Fiscal Year (July 1 - June 30).	Average turnaround time in days	G. Dellenny	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.400000.000	
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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000	
1.3.4	Conduct, no less than annually, analysis of the financial statements of all domestic Non-RRG Captives authorized to transact business in SC to insure the company is not operating in a hazardous financial condition.	149	260	238	Count	equal to or greater than	Calendar Year (January 1 - December 31)	Number of reviews	Captive Supervising Analyst	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.400000.000	
1.3.5	Conduct statutory and limited scope examinations of domestic Non-RRG Captives authorized to transact business in SC to insure the company is not operating in a hazardous financial condition and is not operating in a manner inconsistent with SC laws and regulations.	100%	100%	100%	Percent	Maintain	Other	Number of examinations completed / number of examinations required by statute	Captive Chief Financial Examiner	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.400000.000	
1.3.6	Troubled Company Committee meets as necessary, but no less than quarterly, to discuss troubled or potentially troubled companies. The results of these meetings will be reported to the Director and Deputy Director as they occur.	4	4	4	Count	equal to or greater than	Other	Number of meetings	Committee Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
1.3.7	Using available reporting, conduct a quarterly review of all foreign and alien insurers, including RRG Captives, authorized to transact business in SC. Contact the companies' domestic states with any concerns.	100%	100%	100%	Percent	Maintain	Other	Number of reviews / Number of required reviews	Captive and Traditional Supervising Analysts	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
1.3.8	Number of entities receiving SC DOI solvency-related intervention	0	0	2	Count	Maintain	Other	Number of interventions	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
1.3.9	Captive Business Plan Changes - net days (Dept. processing time)	1.07	3	1.55	Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average processing time in days	G. Dellenny	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.400000.000	

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
1.4 Review insurance laws to reduce impediments to competition or market entry														
State Objective: Government and Citizens														
1.4.1	Review provisions of Title 38 affecting licensure of insurers	100%	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?	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
1.4.2	Identify laws that may require modification or repeal	0	0	0	Count	equal to or greater than	Calendar Year (January 1 - December 31)	Number of laws identified		Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
2.1 Implement Communications Plan														
State Objective: Education, Training, and Human Development														
2.1.1	Communicate insurance related messages via PSAs and social media	327	352	324	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of messages	Annual Communication Plan	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
2.2 Educate DOI Employees														
State Objective: Education, Training, and Human Development														
2.2.1	Provide Agency resources for CISR/AFE/APIR/PIR/CPCU/Aer/ACAS/CFE Trainings and designations for all approved staff.	1	1	1	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of trainings		Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
2.2.2	Security/Confidentiality Training	100%	100%	100%	Percent	Maintain	State Fiscal Year (July 1 - June 30).	Number of trainings		Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
2.3 Implement Disaster Response Plan														
State Objective: Education, Training, and Human Development														
2.3.1	Enhance disaster preparedness capabilities through preparing, training, and exercising	4	4	4	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of events		Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
3.1 Ensure licensees are complying with the requirements of SC law														
State Objective: Government and Citizens														
3.1.1	Maintain NAIC Accreditation every Five (5) Years	1	1	1	Count	Maintain	Other	Completion of activities required for NAIC Accreditation, awarded by (what does NAIC stand for?).	NAIC Review	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
3.2 Promote compliance through education														
State Objective: Government and Citizens														
3.2.1	Number of consumers assisted by SCDOI Consumer Help Line Switchboard	3,892	5,507	4,422	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of calls resolved	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
3.2.2	Number of consumer calls, inquiries addressed by Insurance Regulatory Analysts in the SCDOI's Office of Consumer Services	9,766	7,640	9,968	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	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000	

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes	
3.3 Evaluate opportunities for speedier resolution of some complaints													State Objective: Government and Citizens		
3.3.1	Number of enforcement cases concluded with action	194	101	221	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of cases with actions	Unit Monthly Report	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000		
3.3.2	Legal cases closed	624	279	345	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of cases closed	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000		
3.3.3	Dollar amount of penalties assessed for violations of insurance and insurance-related statutes and rules	\$ 11,800.00	\$ 288,382.00	\$ 63,750.00	Dollar Amount	equal to or greater than		Total amount of penalties assessed	Unit monthly report	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000		
3.3.4	Number of referrals of alleged insurer fraud to state and federal prosecutors	17	2	3	Count	Maintain		Number of referrals	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.450000.000		
3.3.5	Number of reports of insurer fraud received Calendar Year	3,182	2,500	3,663	Count	Maintain	Calendar Year (January 1 - December 31)	HighQ	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.450000.000		
3.3.6	Percent of enforcement cases concluded within 365 days	0.90%	0.95%	0.88%	Percent	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of open divided by # of closed for the year	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000		
3.3.7	Number of complaints resolved	4,962	3,711	5,468	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000		
3.3.8	Dollar amount returned to consumers through complaints resolution	\$ 9,732,916	\$ 4,949,089	\$ 11,991,750.60	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000		
3.3.9	Complaint/Inquiry Turnaround Time (days)	7.6	10	7.2	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.	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000		

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes	
3.3.10	Average turnaround time (in days) to written consumer complaints		7.6	9	7.2	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
3.4 Communicate compliance and enforcement statistics/trends to stakeholders													State Objective: Government and Citizens		
3.4.1	Breakdown of complaint statistics by insurance carrier by year to public		100%	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
3.4.2	Complete Annual Report to the General Assembly; publish for stakeholders and consumers		100%	100%	100%	Percent Complete	Complete	Calendar Year	Publish data to include number and type of complaints received, Actions taken on complaints, Number of convictions, Restitution collected/ordered, fines collected, etc.	HighQ and Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
4.1 Recruit, train and retain a knowledgeable and healthy staff													State Objective: Education, Training, and Human Development		
4.1.1	Connect each year using established relationships with institutions of higher education for internship and recruitment, management, and insurance.		100%	100%	100%	Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Internal Records	Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
4.1.2	Update Succession/Workforce plans with inclusion in staff annual planning stages and evaluations.		100%	100%	100%	Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Internal Records	Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
4.1.3	Periodically throughout the year, communicate and promote wellness benefits & initiatives to employees regularly and ensure they are aware of other wellness resources such as tobacco use programs, employee assistance programs and ergonomics options.		100%	100%	100%	Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.300000.000	
4.2 Make website more interactive													State Objective: Education, Training, and Human Development		
4.2.1	Enhance SC Safe Home Online Portal w/ recommended items		100%	100%	100%	Percent Complete	Complete	Other	Percent complete as determined by the agency.	Safe Homes Access Database	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
4.3 Review and Maintain heightened level security DOI systems & facilities													State Objective: Education, Training, and Human Development		
4.3.1	Integrate network security into daily operations		100%	100%	100%	Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Security file	Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
4.3.2	Make "Securing the Human" course mandatory for all on a yearly basis		100%	100%	100%	Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Security file	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes	
4.3.3	Implement all DTO recommendations for IT Security immediately		100%	100%	100%	Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Security file	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	

FY2025

Strategic Plan Development

as submitted for the Accountability Report by:

R200 - Department of Insurance

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

Perf. Measure Number	Description	Base	Target	Value	Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
1.1 Process Rates, Forms and Licenses promptly														
State Objective: Government and Citizens														
1.1.1	Percent of licenses who renew online	0.97%	0.80%	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.100000.000		
1.1.2	Number of life, accident and health (LA&H) insurance rate and form filings processed	3,197	2,633	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.250000.000		
1.1.3	LA&H Filing Turnaround Time	13.1	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.250000.000		
1.1.4	Number of property and casualty (P&C) insurance rate, rule and form filings processed	5,847	6,712	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.250000.000		
1.1.5	P&C Filing Turnaround Time	14.45	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.250000.000		
1.1.6	Totals number of licensed agents	322,957	247,353	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of agents	Licensing System	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.100000.000		
1.1.7	Number of regulated companies and other carriers (Traditional & Captives)	2,253	1,799	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	What is included in this count?	Company Licensing System	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000		
1.1.8	Producer Licensing Turnaround Time (hours)	2.87	7	Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average turnaround time in house		Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.100000.000		
1.1.9	Newly Licensed Individuals	98,471	82,865	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of new licenses issued	Licensing System	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.100000.000		
1.2 Recruit new insurers to SC to write in underserved markets														
State Objective: Government and Citizens														
1.2.1	Track insurance entities licensed/approved/registered in SC	79	815	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000		
1.3 Monitor insurer solvency through financial analysis and examinations														
State Objective: Government and Citizens														

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
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)		352	292	Count	equal to or greater than	Calendar Year (January 1 - December 31)	Number of reviews	Traditional Supervising Analyst	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000
1.3.2	Captive Business Plan Changes - total days (receipt to closure)		9.9	7	Count	equal to or less than	State Fiscal Year (July 1 - June 30).	Average turnaround time in days	G. Delleney	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.400000.000
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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000
1.3.4	Conduct, no less than annually, analysis of the financial statements of all domestic Non-RRG Captives authorized to transact business in SC to insure the company is not operating in a hazardous financial condition.		238	260	Count	equal to or greater than	Calendar Year (January 1 - December 31)	Number of reviews	Captive Supervising Analyst	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.400000.000
1.3.5	Conduct statutory and limited scope examinations of domestic Non-RRG Captives authorized to transact business in SC to insure the company is not operating in a hazardous financial condition and is not operating in a manner inconsistent with SC laws and regulations.		100%	100%	Percent	Maintain	Other	Number of examinations completed / number of examinations required by statute	Captive Chief Financial Examiner	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.400000.000
1.3.6	Troubled Company Committee meets as necessary, but no less than quarterly, to discuss troubled or potentially troubled companies. The results of these meetings will be reported to the Director and Deputy Director as they occur.		4	4	Count	equal to or greater than	Other	Number of meetings	Committee Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000
1.3.7	Using available reporting, conduct a quarterly review of all foreign and alien insurers, including RRG Captives, authorized to transact business in SC. Contact the companies' domestic states with any concerns.		100%	100%	Percent	Maintain	Other	Number of reviews / Number of required reviews	Captive and Traditional Supervising Analysts	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000
1.3.8	Number of entities receiving SC DOI solvency-related intervention		2	0	Count	Maintain	Other	Number of interventions	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000
1.3.9	Captive Business Plan Changes - net days (Dept. processing time)		1.55	3	Ratio	equal to or less than	State Fiscal Year (July 1 - June 30).	Average processing time in days	G. Delleney	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.400000.000
1.4 Review insurance laws to reduce impediments to competition or market entry													State Objective: Government and Citizens
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?	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
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		Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
2.1 Implement Communications Plan		State Objective: Education, Training, and Human Development											
2.1.1	Communicate insurance related messages via PSAs and social media	324	352	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of messages	Annual Communication Plan	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
2.2 Educate DOI Employees		State Objective: Education, Training, and Human Development											
2.2.1	Provide Agency resources for CISR/AFE/APIR/PIR/CPCU/Aer/ACAS/CFE Trainings and designations for all approved staff.	1	1	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of trainings		Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
2.2.2	Security/Confidentiality Training	100%	100%	Percent	Maintain	State Fiscal Year (July 1 - June 30).	Number of trainings		Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
2.3 Implement Disaster Response Plan		State Objective: Education, Training, and Human Development											
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		Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
3.1 Ensure licensees are complying with the requirements of SC law		State Objective: Government and Citizens											
3.1.1	Maintain NAIC Accreditation every Five (5) Years	1	1	Count	Maintain	Other	Completion of activities required for NAIC Accreditation, awarded by (what does NAIC stand for?).	NAIC Review	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.050000.000 & 4000.400000.000	
3.2 Promote compliance through education		State Objective: Government and Citizens											
3.2.1	Number of consumers assisted by SCDOI Consumer Help Line Switchboard	4,422	5,507	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of calls resolved	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
3.2.2	Number of consumer calls, inquiries addressed by Insurance Regulatory Analysts in the SCDOIs Office of Consumer Services	9,968	7,640	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	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000	
3.3 Evaluate opportunities for speedier resolution of some complaints		State Objective: Government and Citizens											
3.3.1	Number of enforcement cases concluded with action	221	101	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of cases with actions	Unit Monthly Report	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
3.3.2	Legal cases closed	345	279	Count	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of cases closed	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes	
3.3.3	Dollar amount of penalties assessed for violations of insurance and insurance-related statutes and rules	\$ 63,750	\$ 288,382	Dollar Amount	equal to or greater than		Total amount of penalties assessed	Unit monthly report	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000		
3.3.4	Number of referrals of alleged insurer fraud to state and federal prosecutors	3	2	Count	Maintain		Number of referrals	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.450000.000		
3.3.5	Number of reports of insurer fraud received Calendar Year	3,663	2,500	Count	Maintain	Calendar Year (January 1 - December 31)	HighQ	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.450000.000		
3.3.6	Percent of enforcement cases concluded within 365 days	0.88%	0.95%	Percent	equal to or greater than	State Fiscal Year (July 1 - June 30).	Number of open divided by # of closed for the year	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000		
3.3.7	Number of complaints resolved	5,468	3,711	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000		
3.3.8	Dollar amount returned to consumers through complaints resolution	\$ 11,991,750.60	\$ 4,949,089	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000		
3.3.9	Complaint/Inquiry Turnaround Time (days)	7.2	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.	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000		
3.3.10	Average turnaround time (in days) to written consumer complaints	7.2	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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000		
3.4	Communicate compliance and enforcement statistics/trends to stakeholders						State Objective: Government and Citizens							
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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.200000.000		
3.4.2	Complete Annual Report to the General Assembly; publish for stakeholders and consumers	100%	100%	Percent Complete	Complete	Calendar Year	Publish data to include number and type of complaints received, Actions taken on complaints, Number of convictions, Restitution collected/ordered, fines collected, etc.	HighQ and Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000		
4.1	Recruit, train and retain a knowledgeable and healthy staff						State Objective: Education, Training, and Human Development							
4.1.1	Connect each year using established 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	Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000		

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes	
4.1.2	Update Succession/Workforce plans with inclusion in staff annual planning stages and evaluations.		100%	100%	Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Internal Records	Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
4.1.3	Periodically throughout the year, communicate and promote wellness benefits & initiatives to employees regularly and ensure they are aware of other wellness resources such as tobacco use programs, employee assistance programs and ergonomics options.		100%	100%	Percent Complete	Complete	State Fiscal Year (July 1 - June 30).	Percent complete as determined by the agency.	Internal Records	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	4000.300000.000	
4.2 Make website more interactive		State Objective: Education, Training, and Human Development												
4.2.1	Enhance SC Safe Home Online Portal w/ recommended items		100%	100%	Percent Complete	Complete	Other	Percent complete as determined by the agency.	Safe Homes Access Database	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
4.3 Review and Maintain heightened level security DOI systems & facilities		State Objective: Education, Training, and Human Development												
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	Indirect Benefits to Agency Employees (increase skills and knowledge)	Indirect Benefits to Agency Employees (increase skills and knowledge)	Agency Employees	0100.000000.000	
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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	
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	Direct Benefits to agency customers	Direct Benefits to agency customers	Direct Customers	0100.000000.000	

2024

Budget Data

as submitted for the Accountability Report by:

R200 - Department of Insurance

State Funded Program No.	State Funded Program Title	Description of State Funded Program	(Actual) General	(Actual) Other	(Actual) Federal	(Actual) Total	(Projected) General	(Projected) Other	(Projected) Federal	(Projected) Total
0100.000000.000	Administration	Administration	\$ 1,574,271.55	\$ 1,097,156.04	\$ -	\$ 2,671,427.59	\$ 2,174,753.67	\$ 2,734,618.42	\$ -	\$ 4,909,372.09
4000.050000.000	Solvency	Solvency	\$ 546,145.34	\$ 889,643.79	\$ -	\$ 1,435,789.13	\$ 749,428.44	\$ 2,044,857.00	\$ -	\$ 2,794,285.44
4000.100000.000	Licensing	Licensing	\$ 137,645.31	\$ 509,034.24	\$ -	\$ 646,679.55	\$ 214,350.61	\$ 711,018.00	\$ -	\$ 925,368.61
4000.150000.000	Taxation	Taxation	\$ 16,326.64	\$ 215,991.90	\$ -	\$ 232,318.54	\$ 119,227.67	\$ 353,676.00	\$ -	\$ 472,903.67
4000.200000.000	Consumer Services/Complaints	Consumer Services/Complaints	\$ 375,267.54	\$ 326,825.95	\$ -	\$ 702,093.49	\$ 426,155.99	\$ 350,019.00	\$ -	\$ 776,174.99
4000.250000.000	Policy Forms And Rates	Policy Forms And Rates	\$ 1,032,798.87	\$ 176,622.40	\$ -	\$ 1,209,421.27	\$ 992,673.09	\$ 279,112.00	\$ -	\$ 1,271,785.09
4000.300000.000	Loss Mitigation	Loss Mitigation	\$ -	\$ 1,989,948.19	\$ 7,241.40	\$ 1,997,189.59	\$ -	\$ 5,834,516.00	\$ -	\$ 5,834,516.00
4000.350000.000	Uninsured Motorists	Uninsured Motorists	\$ -	\$ 2,153,908.00	\$ -	\$ 2,153,908.00	\$ -	\$ 2,155,000.00	\$ -	\$ 2,155,000.00
4000.400000.000	Captives	Captives	\$ -	\$ 1,027,899.88	\$ -	\$ 1,027,899.88	\$ -	\$ 2,077,947.00	\$ -	\$ 2,077,947.00
4000.450000.000	Fraud	Fraud	\$ 1,430,319.97	\$ 2,363.93	\$ -	\$ 1,432,683.90	\$ 2,170,284.73	\$ 322,000.00	\$ -	\$ 2,492,284.73
9500.050000.000	State Employer Contributions	State Employer Contributions	\$ 1,515,270.17	\$ 1,199,684.40	\$ -	\$ 2,714,954.57	\$ 1,546,474.00	\$ 1,294,516.00	\$ -	\$ 2,840,990.00
			\$ 6,628,045.39	\$ 9,589,078.72	\$ 7,241.40	\$ 16,224,365.51	\$ 8,393,348.20	\$ 18,157,279.42	\$ -	\$ 26,550,627.62

2024

Legal Data

as submitted for the Accountability Report by:

R200 - Department of Insurance

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
8-3-30	State	Statute	Provides the requirements for the bond for all public officials	Not related to agency deliverable		No Change
1-30-55	State	Statute	Transferred all rights and duties to the SCDOI as a part of the 1995 restructuring of state government	Requires a service	Protects insurance consumers	No Change
1-30-10	State	Statute	Names the agencies that are part of the executive branch of government	Not related to agency deliverable		No Change
8-3-10	State	Statute	The oath of office must be taken before the person can assume the duties of the office	Not related to agency deliverable		No Change
1-1-110	State	Statute	Establishes the South Carolina Department of Insurance as a part of the Executive Department	Requires a service	Most insurance statutes do not specify who the customer is. However, the Department is established to protect the insurance consumers.	No Change
1-23-10 et seq	State	Statute	Sets forth requirements for administrative agencies, rules, regulations and orders.	Not related to agency deliverable		No Change
18 USC 1033, 1034	Federal	Federal Statute	Individuals convicted of a crime involving dishonesty, breach of trust or a violation of the Act cannot work or continue to work in the insurance industry without receiving the written consent of the chief insurance regulatory official authorized to regulate the insurer. A prohibited person who continues to work or works without the written consent of the insurance commissioner risks federal criminal penalties. There is no automatic waiver or grandfather provisions.	Requires a service	Protects insurance consumers	No Change
38-10-10 et seq	State	Statute	Sets for the requirements for licensure of traditional protected cell companies not held by a captive insurance company; prescribes what protected cells are authorized to do and the attribution of assets and liabilities. Director may take regulatory action against a cell company that violates the provisions of the Code including fines, suspension, revocation, rehabilitation, liquidation or conservation.	Requires a service	Protects insurance consumers and licensees	No Change
38-1-10	State	Statute	Establishes the South Carolina insurance law; SCDOI charged with responsibility of enforcing the insurance laws of the state	Requires a service	Protects insurance consumers	No Change
38-1-20	State	Statute	Insurance Definitions for Title 38	Not related to agency deliverable		No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
38-3-10 et seq	State	Statute	Creation and organization of the Department	This law sets up the Department and generally describes its function and authority to regulate the insurance industry	Protects the insurance buying public	Amended. Section 38-3-150 was amended.
38-12-10 et seq	State	Statute	Sets forth the requirements for investments and the standards and requirements for the board of directors; establishes certain restrictions for investments by line of insurance and company type. Director has the discretion to review and approve investments.	Requires a service	Protects insurance consumers and licensees	No Change
38-13-10 et seq	State	Statute	Gives the director or designees the authority to conduct examinations of insurers and sets forth the procedure that should be followed for the audit and the reporting of findings. Director and designees are provided qualified immunity. Cost of examinations are borne by insurers. Director also has the authority to investigate complaints filed by citizens. The Director has the authority to impose penalties for violations of the insurance laws. The director or his designee has the authority to require financial reporting on a quarterly and annual basis. The Director can request various other reports including special reports. Director may impose penalties for insurers' failure to provide reports or other requested information. Director shall examine the insurance reserve fund every three years and the unemployment compensation fund every five years.	Requires a service	Protects insurance consumers and licensees. Sections 38-13-80 and 38-13-85(a) was amended	Amended. Sections 38-13-20 and 38-13-70 were amended this last legislative session.
38-14-10 et seq	State	Statute	Sets requirements for the licensure and transaction of business by Special Purpose Reinsurance Vehicle insurers. Director has the authority to take regulatory action against licensees for violations of the insurance laws.	Requires a service	Protects insurance consumers and licensees	No Change
38-15-10 et seq	State	Statute	Sets forth the for licensure and transaction of business by surety Insurers. The Director or designee may take regulatory action against licensee for violations of the insurance laws. Director may require reciprocals to provide security deposits as required of other insurers doing business in SC in accordance with the requirements of Chapter 9	Requires a service	Protects insurance consumers and licensees	No Change
38-17-10 et seq	State	Statute	Sets forth the requirements for licensure and transaction of business by reciprocal Insurers. The Director or designee may take regulatory action against licensee for violations of the insurance laws.	Requires a service	Protects insurance consumers and licensees	No Change
38-19-10 et seq	State	Statute	Sets forth the requirements for licensure and transaction of business by mutual insurers. Also establishes requirements for proxies, meetings, membership and liability of members. Establishes the standards for liquidation, conversion or merger of a mutual insurer and rights of the members. The Director or designee may take regulatory action against licensee for violations of the insurance laws and is also given the authority to approve transactions related to the mutual's conduct of business in the state including proxies, mergers, acquisitions and other reorganizations of the mutual insurer.	Requires a service	Protects insurance consumers and licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
38-2-10	State	Statute	Establishes certain administrative penalties for violations of the insurance laws	Requires a service	Protects insurance consumers	No Change
38-21-10 et seq	State	Statute	Sets for the standards for the director or his designee to approve a merger, acquisition or other acquisition of control. Defines the authority of insurers to organize or acquire subsidiaries as well as the requirements and conditions for such acquisitions. Also sets the standards for various filings including registration statements, Form A, disclaimers of control and Forms A through E filings. The Director has the authority to approve filings, acquisitions, seize securities, and seek injunction or criminal prosecution for violation of the chapter in addition to other regulatory action or penalties.	Requires a service	Protects insurance consumers and licensees	No Change
38-23-50 et seq	State	Statute	The director has the power to make and promulgate regulations necessary for the execution of the functions vested in him by Sections 38-23-20 through 38-23-90 including, but without limitation, regulations pertaining to and governing the solicitation of proxies, including financial reporting in connection therewith, with respect to the capital stock or other equity securities of any domestic stock insurer; he may, for these purposes, classify domestic insurers, securities, and other persons or matters within his jurisdiction. No provision of Sections 38-23-40 to 38-23-60 imposing any liability applies to any act done or omitted in good faith in conforming with any regulation of the department, notwithstanding that the regulation may, after the act or omission, be amended, rescinded, or determined by judicial or other authority to be invalid for any reason.	Requires a service	Protects insurance consumers and licensees	No Change
38-25-10 et seq	State	Statute	This chapter defines the unauthorized Transaction of Business and remedies and penalties for such violations. It also establishes certain exemptions for certain insurers. It sets forth the actions an unauthorized insurer may pursue such as motions or other legal actions. It also provides a procedure for the enforcement of foreign decrees.	Requires a service	Law is designed to protect the public	No Change
38-26-10 et seq	State	Statute	This chapter gives the director or his designee the authority to place insurers under Administrative Supervision. It sets for the requirements to take such action and provides limited liability for the director and his designees..	Requires a service	Protects insurance consumers and licensees	No Change
38-27-10 et seq	State	Statute	This chapter gives the director the authority to place insurers into rehabilitation and/or liquidation. These are judicial proceedings. The director is authorized to appoint special deputies and to hire the experts necessary to effectively administer the rehabilitation with the court's approval.	Requires a service	Protects insurance consumers and licensees	No Change
38-29-10 et seq	State	Statute	Sets forth the requirements for the administration and functions of the Life, Accident, Health Guaranty Association. The Association must submit plan of operation to the Department for approval.	Requires a service	Protects insurance consumers and licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
38-3-100	State	Statute	Director of Insurance has no grievance rights; shall devote all time and energy to duties of his office and shall sever any and all ties with the insurance industry	Not related to agency deliverable		No Change
38-3-110	State	Statute	Sets for the duties of the Director of Insurance	Requires a service	Director enforces insurance laws for the benefit of the public	No Change
38-31-10 et seq	State	Statute	Sets forth the requirements for the creation, administration and functions of Property and Casualty Guaranty Association. Department reviews and approves amendments and modifications to the plan of operation.	Requires a service	Protects insurance consumers and licensees	No Change
38-3-120	State	Statute	Director must take an oath and secure a bond	Requires a service	Director must secure a bond; bond for protection of the public	No Change
38-3-130	State	Statute	Director may hire or appoint actuaries, examiners, clerks and other employees for the proper execution of the work of the Department.	Requires a service	Protects insurance consumers	No Change
38-3-140	State	Statute	Violations are deemed to have been committed at the Office of the Director in Columbia	Requires a service	Protects insurance consumers	No Change
38-3-150	State	Statute	Provides general information about who may conduct investigations or hearings	Requires a service	Protects insurance consumers	This section was amended to provide that investigations are confidential.
38-3-160	State	Statute	Director, agents or assistants shall administer all required oaths	Not related to agency deliverable		No Change
38-3-170	State	Statute	Provides the requirements for hearing notices	Requires a service	Protects insurance consumers and licensees	No Change
38-3-180	State	Statute	The Director or his assistants or agents appointed to conduct examinations may summon and compel the attendance or witnesses as a part of any insurance examination or investigation and to hold witnesses failing or refusing to answer in contempt. Director and agents may administer oaths and false testimony is considered perjury.	Requires a service	Protects insurance consumers and licensees	No Change
38-3-190	State	Statute	SCDOI may pay witnesses mileage	Not related to agency deliverable		No Change
38-3-200	State	Statute	Orders must be written and signed by the director or his designee to be effective	Requires a service	Protects insurance consumers and licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
38-3-210	State	Statute	Orders or decisions are subject to judicial review in accordance with the procedures of the Administrative Law Division	Requires a service	Protects insurance consumers subject licensees	No Change
38-3-220	State	Statute	Documents executed by the director shall have upon them the state seal and copies of them shall have the same force and effect as the originals.	Requires a service	Protects insurance consumers director licensees	No Change
38-3-230	State	Statute	Any license issued with the Department seal is evidence that the licensee has the authority to do business in this state	Requires a service	Protects insurance consumers the licensees	No Change
38-33-10 et seq	State	Statute	Sets forth the requirements for licensure and regulation of health maintenance Organizations transacting business in South Carolina. The Director has the authority to license, examine, monitors its operations and to impose or take regulatory action based upon an impaired financial condition or violation of the insurance laws of the state. .	Requires a service	Protects insurance consumers and licensees	No Change
38-3-40	State	Statute	Establishes the Department of Insurance and the position of Director of Insurance	Requires a service	Enforce insurance laws	No Change
38-3-40	State	Statute	Sets compensation parameters for the Director of Insurance	Not related to agency deliverable		No Change
38-35-10 et seq	State	Statute	Provides for the formation and conduct of mutual benevolent aid associations and their regulation.	Requires a service	Protects insurance consumers and licensees	No Change
38-3-60	State	Statute	Sets the general authority forth the Director of Insurance; Directors and designees must follow the general policies and broad objectives established by the General Assembly for the operation of the insurance industry	Requires a service	The public is the DOI customer	No Change
38-3-80	State	Statute	Provides for the Department seal	Not related to agency deliverable		No Change
38-38-10 et seq	State	Statute	Any incorporated society, order, or supreme lodge, without capital stock, whether incorporated or not, conducted solely for the benefit of its members and their beneficiaries and not for profit, operated on a lodge system with ritualistic form of work, having a representative form of government, and which provides benefits in accordance with this chapter, is a fraternal benefit society.	Requires a service	Protects insurance consumers and licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
38-39-10 et seq	State	Statute	Sets forth the Licensing requirements, administration and regulation of insurance Premium Service Companies. Director has the authority to take regulatory action for violations of the insurance laws.	Requires a service	Protects insurance consumers and licensees	No Change
38-41-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of Multiple Employer Self-Insured Health Plans. Director has the authority to approve licensure, the plan of operation, conduct of business and to impose regulatory penalties for violations of the insurance laws.	Requires a service	Protects insurance consumers and licensees	No Change
38-43-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of Insurance Producers and Agencies. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license.	Requires a service	Protects insurance consumers and licensees	No Change
38-44-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of Insurance managing general agents. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license.	Requires a service	Protects insurance consumers and licensees	No Change
38-45-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of Insurance brokers. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license. Licensing requirements, administration and regulation of Brokers and Surplus Lines. Director may enter into agreements to participate in a clearinghouse subject to General Assembly approval for the distribution of broker premium taxes.	Requires a service	Protects insurance consumers and licensees	No Change
38-46-10 et seq	State	Statute	Sets forth Licensing requirements, administration and regulation of Reinsurance Intermediaries.	Requires a service	Protects insurance consumers and licensees	No Change
38-47-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of insurance adjusters. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license.	Requires a service	Protects insurance consumers and licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
38-48-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of insurance adjusters. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license.	Requires a service	Protects insurance consumers and licensees	No Change
38-49-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of motor vehicle physical damage appraisers. Director has the authority to approve licensure, conduct of business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license..	Requires a service	Protects insurance consumers and licensees	No Change
38-5-10 et seq	State	Statute	Sets forth the requirements for insurers to do business in the State of South Carolina including but not limited to appointment of the director as the attorney for service of process; requirements for issuance of a license including the qualifications of management; grounds for disciplinary action against insurers for violation of the insurance laws including fines, suspensions and revocations of the certificate of authority.	Requires a service	Protects insurance consumers and licensees	No Change
38-51-10 et seq	State	Statute	Set forth the licensing requirements, administration and regulation of third party administrators. Director has the authority to approve licensure, conduct business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license.	Requires a service	Protects insurance consumers and licensees	No Change
38-53-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of bail bondsmen. Director has the authority to approve licensure, conduct business and to impose penalties for violations of the insurance laws including the suspension or revocation of the license. The Department must suspend bondsmen who make attorney referrals.	Requires a service	Protects insurance consumers and licensees	Amended
38-55-10 et seq	State	Statute	Sets forth guidelines for conducting insurance business and the authority of the director to revoke the license of insurers who engage in unfair discrimination	Requires a service	Protects insurance consumers and licensees; Section 38-55-730 was added to this chapter	Amended
38-57-10 et seq	State	Statute	Sets forth the requirements for insurer trade practices; director has the authority to issue cease and desist orders and to otherwise take regulatory action.	Requires a service	the public is the DOI customer	Amended; Section 38-57-130 was amended

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
38-59-10 et seq	State	Statute	Sets forth the requirements for insurer claims practices; defines bad faith and prompt pay guidelines and requirements.	Requires a service	Protects insurance consumers and licensees	No Change
38-61-10 et seq	State	Statute	Sets forth the requirements for approval of insurance contracts or forms. All forms must be approved by the director or his designee unless exempted from prior approval. The Director may disapprove or withdraw approval of forms subject to the procedure outlined in the chapter.	Requires a service	The public is the DOI customer	No Change
38-63-10 et seq	State	Statute	Sets forth the requirements for Individual Life Insurance, forms, regulation, premiums, etc.	Requires a service	Protects insurance consumers and licensees	No Change
38-65-10 et seq	State	Statute	Sets forth the requirements for Group Life Insurance, forms, regulation, premiums, etc.	Requires a service	Protects insurance consumers and licensees	No Change
38-67-10 et seq	State	Statute	Sets guidelines for the regulation of variable annuities	Requires a service	Protects insurance consumers and licensees	No Change
38-69-10 et seq	State	Statute	Sets forth the requirements and guidelines for regulation of individual annuities.	Requires a service	Protects insurance consumers and licensees	No Change
38-70-10 et seq	State	Statute	Sets forth the licensing requirements, administration and regulation of Utilization Reviews and Private Review Agents. Director has authority to conduct periodic reviews of operations and to take regulatory action for violations of the insurance laws.	Requires a service	Protects insurance consumers and licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
38-7-10 et seq	State	Statute	Sets forth the fees and taxes to be paid by licensees for the transaction of insurance business in this state and how those fees are to be distributed; it sets forth the premium tax companies are required to pay by line of insurance and the requirements for annual and quarterly premium tax returns; establishes penalties for the filing of fraudulent returns, keeping records or paying taxes when due; establishes requirements for retaliatory taxes, penalties and fees as well; insurers may pay taxes under protest; SC may bring an action for collection of taxes within 10 years; all taxes and fees must be deposited in the general fund unless otherwise noted. Licensees that fail to pay taxes with intent evade are guilty of a misdemeanor. Such violations are subject to fines, penalties and interest and possibly imprisonment. The director has the authority to waive penalties, but must make a record of the reasons for waiver. Insurers may be eligible for certain tax credits under Title 12, if applicable.	Requires a service	Protects insurance consumers and licensees	No Change
38-71-10 et seq	State	Statute	Provides for the regulation of types of coverages, policies for specific ailments, continuation of care, etc. for Accident and Health insurance. The Director must also approve IROs to conduct external review of health insurance claims.	Requires a service	Protects insurance consumers and licensees	Amended
38-72-10 et seq	State	Statute	Sets forth the requirements, regulation and approval of Long Term Care products.	Requires a service	Protects insurance consumers and licensees	No Change
38-73-10 et seq	State	Statute	Sets forth the requirements for property, casualty, inland marine, and surety rates and rate-making Organizations, regulation of, examinations of, etc. Director must conduct reviews of independent rating organizations; sets hearing procedure for certain rates; may declare certain lines of insurance competitive or not; establishes a consumer information system for rate information; etc.	Requires a service	Protects insurance consumers and licensees	Amended
38-74-10 et seq	State	Statute	Provides for the establishment, eligibility for and administration of Health Insurance Pool which is the state's high risk pool for individual who are unable to obtain coverage in the voluntary market. The Director reviews the plan of operation and must approve assessments.	Requires a service	the public is the DOI customer	No Change
38-75-10 et seq	State	Statute	Sets forth the requirements for regulation of Property, Casualty and Title Insurance policies and coverages. Provides for the establishment and operation of the Wind Pool; the director has the authority to expand the area covered by the wind pool; establishes a loss mitigation grant program within the DOI; the Director must report within 30 days any need for expansion of the wind pool territory and conduct certain property studies.	Requires a service	Protects insurance consumers and licensees	No Change
38-77-10 et seq	State	Statute	Governs the regulation of automobile insurance, arbitration, assignment of risks, etc. The Director or his designee have the authority to ensure that insurers and agents comply with the requirements of this chapter and South Carolina law. Director also has the authority to disperse uninsured motorist funds.	Requires a service	Protects insurance consumers and licensees	Amended; Section 38-77-170 was amended

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
38-78-10 et seq	State	Statute	This chapter governs the licensing requirements, administration and regulation of Service Contracts and service contract providers.	Requires a service	Protects insurance consumers and licensees	Amended; Sections 38-78-20 was amended and 38-78-55 was added
38-79-10 et seq	State	Statute	Sets forth the requirements governing medical malpractice judgments, settlements, etc.; establishes the residual market mechanisms for medical malpractice insurance i.e., JUA and PCF	Requires a service	the public is the DOI customer. Section 38-79-200 was amended	Amended
38-81-10 et seq	State	Statute	Reporting requirements and Legal Professional Liability Insurance Joint Underwriting Association. This Association is inactive.	Requires a service	Protects insurance consumers and licensees	No Change
38-83-10 et seq	State	Statute	Organization, coverage and regulation of Joint Underwriting Association for Writing of Professional Liability Insurance. This JUA is inactive.	Requires a service	Protects insurance consumers and licensees	No Change
38-85-10 et seq	State	Statute	Sets forth requirements for insurers participation in consolidation and mortgage insurance.	Requires a service	Protects insurance consumers and licensees	No Change
38-87-10 et seq	State	Statute	Sets forth the requirements for licensing, administration and regulation/taxation of Risk Retention Groups and Purchasing Groups.	Requires a service	Protects insurance consumers and licensees	No Change
38-89-10 et seq	State	Statute	Creation, administration and regulation of Day Care Joint Underwriting Association. Association is inactive.	Requires a service	Protects insurance consumers and licensees	No Change
38-90-10 et seq	State	Statute	Licensing requirements, administration and regulation of Captive Insurance Companies.	Requires a service	Protects insurance consumers and licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
38-9-10 et seq	State	Statute	Sets forth capital and surplus requirements of stock and mutual insurers by line of insurance; director shall notify insurers of capital and surplus requirements; director has the discretion to increase capital and surplus above the statutory minimums based on business plans and line of coverage; the director may take regulatory action against insurers that have impaired capital and surplus or fail to meet the minimum requirements; director may hold deposits of insurers that transact business in other states; and set forth the requirements for securities for claims, voluntary deposits, RBC and reserves. The director may retain experts necessary to evaluate the financial condition of a company and those costs are to be borne by the insurer. Certain financial reports are given confidential treatment. The director and designees are given qualified immunity for actions related to RBC.	Requires a service	Protects insurance consumers and licensees. Sections 38-9-210 and 38-9-220 were amended.	Amended
38-93-10 et seq	State	Statute	Sets forth the requirements for the regulation genetic information. Director can penalize members for violating the provision of the chapter.	Requires a service	The public is the DOI customer	No Change
38-97-10 et seq	State	Statute	Licensing requirements, administration and regulation of Portable Electronics insurance. Director can impose penalties for violations of the law	Requires a service	Protects insurance consumers and licensees	No Change
38-99-10 et seq.	State	Statute	Establishes standards to protect insurance data and notification requirements for cybersecurity events	Requires a service		No Change
69-1	State	Regulation	Adjustment of Claims Under Unusual Circumstances	Requires a service	The public is the DOI customer	No Change
69-10	State	Regulation	Premium Service Companies	Requires a service	Protects insurance consumers Broker licensees	No Change
69-11.1	State	Regulation	Regulation of Credit Insurance	Requires a service	The public is the DOI customer	No Change
69-12	State	Regulation	Variable Contracts	Requires a service	The public is the DOI customer	No Change
69-12.1	State	Regulation	Replacement of Life Insurance and Annuities	Requires a service	The public is the DOI customer	No Change
69-13-.3	State	Regulation	Uniform Class and Territory Plan - Motorcycles	Requires a service	Protects insurance consumers Plan licensees	No Change
69-14	State	Regulation	Insurance Holding Company Systems	Requires a service		No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
69-15	State	Regulation	South Carolina Deposits Required of Insurers	Requires a service	the public is the DOI customer	No Change
69-18	State	Regulation	Title Insurance	Requires a service	Protects insurance consumers Broker licensees	No Change
69-20	State	Regulation	Campus Life Insurance	Requires a service	Protects insurance consumers Broker licensees	No Change
69-22	State	Regulation	Health Maintenance Organizations	Requires a service	Protects insurance consumers Broker licensees	No Change
69-23	State	Regulation	Adjuster, Public Adjuster, Appraiser, Broker, Bondsmen, Runner, Producer and Agency Licenses	Requires a service	Protects insurance consumers Broker licensees	No Change
69-24	State	Regulation	Workmen's Compensation - Dividends to Policyholders	Requires a service	The public is the DOI customer	No Change
69-25	State	Regulation	Prohibition Against Decreases in Income Benefits from Group Disability Policies due to Increases in Social Security Benefits	Requires a service	The public is the DOI customer	No Change
69-27	State	Regulation	Guaranty Act - Applicability	Requires a service	The public is the DOI customer	No Change
69-29	State	Regulation	Suitability in Annuity Transactions	Requires a service	The public is the DOI customer	No Change
69-3	State	Regulation	Definitions	Not related to agency deliverable		No Change
69-30	State	Regulation	Life Insurance Disclosure Regulation	Requires a service	The public is the DOI customer	No Change
69-31	State	Regulation	Practice and Procedure for Hearings before the Chief Insurance Commissioner under the State Administrative Procedures Act, Act No. 176 of 1977	Requires a service	The public is the DOI customer	No Change
69-32	State	Regulation	Unfair Discrimination on the Basis of Blindness or Partial Blindness	Requires a service	Protects insurance consumers Basis licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
69-33	State	Regulation	Dates for Payments of License Fees/Appointment Fees for Adjusters, Agencies, Bail Bondsmen/Runners, Brokers, Motor Vehicle Physical Damage Appraisers, Premium Service Companies, Producer Appointments, Producers, Public Adjusters, Rental Car Companies, Service Contract Providers, Third Party Administrators and Utilization Review Agents	Requires a service	Collections mostly for the General Fund	No Change
69-34	State	Regulation	Individual Accident and Health Insurance Minimum Standards	Requires a service	The public is the DOI customer	No Change
69-34.1	State	Regulation	Accident and Health Insurance Solicitations	Requires a service	The public is the DOI customer	No Change
69-34:2	State	Regulation	Replacement of Accident and Health Insurance	Requires a service	The public is the DOI customer	No Change
69-36	State	Regulation	Procedure for Permitting Same Minimum No forfeiture Standards for Men and Women Under 1980 CSO and CET Mortality Tables	Requires a service	The public is the DOI customer	No Change
69-37	State	Regulation	Annuity Mortality Tables for Use in Determining Reserve Liabilities for Annuities	Requires a service	The public is the DOI customer	No Change
69-38	State	Regulation	Regulation Permitting Smoker/Nonsmoker Mortality Tables for Use in Determining Minimum Reserve Liabilities and No forfeiture Benefits	Requires a service	The public is the DOI customer	No Change
69-39	State	Regulation	Annuity Disclosure Regulation	Requires a service	The public is the DOI customer	No Change
69-4	State	Regulation	Life, Accident and Health Insurance - Reserve Tabulations	Requires a service	The public is the DOI customer	No Change
69-40	State	Regulation	Life Insurance Policy Illustration Rules	Requires a service	Protects insurance consumers Rules licensees	No Change
69-40.1	State	Regulation	Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities	Requires a service	Protects insurance consumers Certifications licensees	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
69-41	State	Regulation	Prepaid Dental Service	Requires a service	The public is the DOI customer	No Change
69-42	State	Regulation	Multiple Employer Self-Insured Plans	Requires a service	The public is the DOI customer	No Change
69-43	State	Regulation	Group Health Insurance Coordination of Benefits	Requires a service	The public is the DOI customer	No Change
69-44	State	Regulation	Long Term Care Insurance	Requires a service	The public is the DOI customer	No Change
69-45	State	Regulation	Data Reporting and Determination of Excess Profits	Requires a service	The public is the DOI customer	No Change
69-46	State	Regulation	Medicare Supplement Insurance	Requires a service	The public is the DOI customer	No Change
69-47	State	Regulation	Private Review Agents	Requires a service	Protects insurance consumers	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
69-48	State	Regulation	Life and Health Reinsurance Agreements	Requires a service	Protects insurance consumers	No Change
69-5	State	Regulation	Policy Approvals	Requires a service	The public is the DOI customer	No Change
69-5.1	State	Regulation	Minimum Standards for the Readability of Commonly Purchased Insurance Policies	Requires a service	The public is the DOI customer	No Change
69-50	State	Regulation	Continuing Insurance Education	Requires a service	Protects insurance consumers	No Change
69-52	State	Regulation	Actuarial Opinion and Memorandum Regulation	Requires a service	Protects insurance consumers	No Change
69-53	State	Regulation	Credit for Reinsurance	Requires a service	Protects insurance consumers	No Change
69-54	State	Regulation	Experience Modification for Staff Leasing Services Companies in the Workers Compensation Assigned Risk Plan	Requires a service	Protects insurance consumers	No Change
69-56	State	Regulation	Named Storm or Wind/Hail Deductible	Requires a service	Protects insurance consumers	No Change
69-57	State	Regulation	Valuation of Life Insurance Policies	Requires a service	Protects insurance consumers	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
69-57.1	State	Regulation	Recognition of the 2001 CSO Mortality Table for Use in Determining Minimum Reserve Liabilities and No forfeiture Benefits	Requires a service	Protects insurance consumers	No Change
69-57.2	State	Regulation	Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities	Requires a service	Protects insurance consumers	No Change
69-57.3	State	Regulation	Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and No forfeiture Values	Requires a service	Protects insurance consumers	No Change
69-58	State	Regulation	Privacy of Consumer Financial and Health Information	Requires a service	Protects insurance consumers and beneficiaries	No Change
69-6	State	Regulation	Brokers Licenses	Requires a service	Protects insurance consumers Broker licensees	No Change
69-60	State	Regulation	Captive Insurance Companies	Requires a service	Protects insurance consumers	No Change
69-61	State	Regulation	Service Contracts	Requires a service	Protects insurance consumers	No Change
69-62 et seq	State	Regulation	Closeout and Termination of the SCAAIP	Requires a service	Protects insurance consumers	No Change
69-63	State	Regulation	South Carolina Reinsurance Facility Recoupment	Requires a service	Protects insurance consumers	No Change
69-64	State	Regulation	Exempt Commercial Policies	Requires a service	Protects insurance consumers	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
69-65	State	Regulation	Military Sales Practices	Requires a service	Protects insurance consumers	No Change
69-7	State	Regulation	Minimum Reserve Standards for Individual and Group Accident and Health Insurance Contracts	Requires a service	The public is the DOI customer	No Change
69-70	State	Regulation	Annual Audited Financial Reporting Regulation	Requires a service	Protects insurance consumers	No Change
69-75	State	Regulation	Tax Credits for Fortification Measures	Requires a service	Protects insurance consumers	No Change
69-76	State	Regulation	Safe Home Program Wind Inspectors and Contractors	Requires a service	Protects insurance consumers	No Change
69-77	State	Regulation	Regulation of Pharmacy Benefit Managers	Requires a service	Protects insurance consumers	Amended
69-78	State	Regulation	Regulation of Pharmacy Services Administrative Organizations	Requires a service	Protects insurance consumers and pharmacies	New
69-8	State	Regulation	Reserves for Mortgage Guaranty Insurance	Requires a service	The public is the DOI customer	No Change
69-9	State	Regulation	Proxies, Consents and Authorizations of Domestic Insurers	Requires a service	Protects insurance consumers of licensees	No Change
8-13-10 et seq	State	Statute	Sets forth the ethical requirements for public officers and employees; it defines the appropriate conduct for public employees that regulate certain industries.	Requires a service	Protects insurance consumers	No Change
8-17-10 et seq	State	Statute	Sets forth the grievance procedures that must be followed by agencies for public employees; it defines those actions that are and are not grievable actions	Requires a service	Public employees are protected by this statute	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
Act No. 100/H.3900	State	Statute	This legislation gives podiatrists the ability to administer the COVID-19 vaccine subject to certain conditions.	Requires a service	COVID-19 Administration: Podiatrists Actuarial and Product Regulation	No Change
Act No. 27/H.3101	State	Statute	•This Act sets forth the requirements for the disposition of a motor vehicle subject to an insurance claim by a salvage pool operator where the insurance company denies coverage for the motor vehicle or does not take ownership of the vehicle.	Not related to agency deliverable	Motor Vehicle Salvage This legislation is enforced by the South Carolina Department of Motor Vehicles. However, it will impact the work of: •Office of Consumer Services	No Change
Act No. 33/S.623	State	Statute	<p>•Before this amendment, Section 38-73-910 addressed both insurance products that were subject to prior approval and automobile insurance rate filings that were subject to flex-rating or modified file and use. Senator Hutto proposed that this section be cleaned up to clarify its application.</p> <p>oSection 38-73-910 has been amended to clarify its application. It applies to all property and casualty insurance coverage rate filings except those governed by Section 38-73-905 (automobile), 38-73-220 and 38-73-260 (property or homeowners).</p> <p>oRate filings for workers compensation, inland marine, liability, etc. are all subject to prior approval and governed by this provision.</p> <p>oSection B applies to workers compensation insurance coverages.</p> <p>oIt deletes the references to automobile insurance coverage that were previously included in this bill.</p> <p>oIt also provides that the director can issue a written notice of disapproval if a filing does not comply with the provisions of chapter 73.</p> <p>oThe amendments make clear that this section does not apply to exempt commercial policies. It also provides that commercial rate, rule of form filings must comply with applicable regulations and other provisions of Title 38.</p> <p>•The amendment to S.623 pulls automobile insurance ratemaking out of Section 38-73-910 and places it in new Section 38-73-905.</p> <p>oSection 38-73-905 address automobile insurance rates only. It permits automobile insurers a maximum of two rate increases per year.</p> <p>□ A Rate increase request within the 7% percent limitation may take effect on a file and use basis i.e., the Department has 30 days to object to a rate increase or it becomes effective. As a practical matter, the Department reviews all rate filings submitted to the Department to ensure they do not produce rates that are excessive, inadequate or unfairly discriminatory. With file and use rate filings, they must conduct that review within 30 days.</p> <p>•If an insurer requests more than one rate increase within the 7% limitation, the second request is subject to prior approval.</p> <p>•If an insurer asks for a rate increase in excess of 7%, it is subject to prior approval.</p> <p>□ Automobile insurance is no longer subject to the one rate increase requirement in a 12-month period set forth in Section 38-73-920. However, to be approved insurers will have to prove that rate increase requests are not excessive, inadequate or unfairly discriminatory.</p> <p>•This section does not apply to commercial rate or rule filings. However, those filings must comply with other regulations and applicable provisions of Title 38.</p>	Requires a service	Automobile Insurance Rate Filings Limitations The following business units will be impacted by this legislation: •Actuarial and Product Regulation •Consumer Services •Office of General Counsel	No Change
Act No. 50/S.435	State	Statute	<p>This Act permits the licensure of producers that provide travel insurance. It permits any producer licensed for any major line of authority to sell travel insurance if appointed by the insurer. Licensed MGAs and MGAs are also authorized to sell travel insurance by the Limited Lines Travel Insurance Act. The Act also adds travel insurance to the definition of inland marine insurance; specifies the requirements for the forms and rates and provides that the producer is responsible for the acts of the travel insurance retailer; sets forth the requirements for cancellation of the policy; defines what constitutes unfair trade practices, etc. The director may institute administrative disciplinary action in accordance with Section 38-2-10 against the retailer or the producer's license for violations of the article after an opportunity for a hearing. Insurers underwriting travel insurance products are responsible for the actions of the travel administrator.</p> <p>Travel insurers are required to pay premium taxes under Section 38-7-20.</p>	Requires a service	Limited Lines Travel Insurance This legislation impacts the work of : •Taxation/Accounting •Office of Consumer Services •Product Regulation •Office of General Counsel	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
Act No. 62/S.658	State	Statute	This legislation defines the rights of secondary beneficiaries for public employee benefits.	Requires a service	Retirement systems/Secondary beneficiaries Human Resources	No Change
Act No. 85/S. 631	State	Statute	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.	Requires a manner of delivery	Electronic Public Notary Act All business units that require notarized documents	No Change
Act No. 99/S.147	State	Statute	This legislation provides immunity for health care providers and businesses that follow public health guidance. Immunity does not apply to gross negligence, reckless, willful or intentional misconduct; failure to adhere to public guidance, etc. The legislation is not to be interpreted as an exclusion or a waiver of any defenses that may exist under the law.	Requires a service	COVID Liability Safe Harbor Act	No Change
Act No.13/H.3585	State	Statute	<ul style="list-style-type: none"> •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 was 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. Additionally, a new section requesting a list of underwriting restrictions for auto insurance policies similar to those required for property policies was enacted. 	Requires a manner of delivery	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 	No Change
Act No.14/H.3587	State	Statute	•This Act adds the definition of reduction of coverage to Chapter 77. The notice of cancellation or nonrenewal provisions do not apply to reductions in coverage. An insurer must provide notice of a reduction in coverage 15 days prior to the effective date of the renewal. The language in the statute also specifies the language that must be included in the notice. Notices of reduction in coverage must be provided to the Director up on request. The Director has the authority to order the insurer to provide the renewal without the reduction in coverage if the insurer fails to meet the requirements of this section.	Requires a manner of delivery	Reduction in Coverage <ul style="list-style-type: none"> •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.	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
Affordable Care Act	Federal	Federal Statute	Provisions included in the ACA are intended to expand access to insurance, increase consumer protections, emphasize prevention and wellness, improve quality and system performance, expand the health workforce, and curb rising health care costs. The ACA establishes standards for health insurance policies sold and the rates charged in all states.	Requires a service	Protects insurance consumers	No Change
Employee Retirement Income Security Act of 1974	Federal	Federal Statute	ERISA outlines minimum federal standards for private employer-sponsored benefits such as requiring a plan administrator to provide a summary of plan benefits to employees, file annual reports, maintain procedures for claiming benefits and provide administrative and judicial remedies for beneficiaries. HIPAA was enacted to address concerns that insured persons have about losing their coverage if they change jobs or health plans. HIPAA established federal requirements to ensure the availability and renewability of coverage for certain employees and other persons under certain circumstances.	Requires a service	Protects insurance consumers	No Change
Gramm-Leach-Bliley	Federal	Federal Statute	The Gramm-Leach-Bliley Act broke down the barriers in statutes between banking and insurance. It made it possible for banks to own insurance companies and insurance companies to own banks. It recognized insurance as a financial product. It sets forth specific requirements for financial transactions. It also requires many companies to give consumers privacy notices that explain the institutions' information-sharing practices	Requires a service	Protects insurance consumers	No Change
Health Insurance Portability and Accountability Act (1996)	Federal	Federal Statute	The Health Insurance Portability and Accountability Act (HIPAA) of 1996 (P.L. 104-191) amends the Internal Revenue Code of 1986 and is designed to improve the portability and continuity of health insurance coverage in the group and individual health insurance markets; combat waste, fraud and abuse in health insurance and health care delivery; promote the use of medical savings accounts; improve access to long-term care services and coverage and simplify the administration of health insurance. It contains standards for the electronic health information transactions; requires providers and health plans to use the standards for the specified electronic transactions; requires privacy standards to be enacted; and specifies the situations where state law may be preempted and the penalties that may be imposed for violations.	Requires a service	Protects insurance consumers	No Change
McCarran-Ferguson Act	Federal	Federal Statute	<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	Protects insurance consumers	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
Mental Health Parity Act of 1996	Federal	Federal Statute	The Mental Health Parity Act of 1996 requires that mental health benefits included in employer-sponsored health coverage cannot have annual or lifetime dollar limits on mental health benefits that are lower than any such dollar limits for medical and surgical benefits. The law does not apply to (1) coverage sponsored by a small business with 50 or fewer employees and (2) coverage sponsored by larger businesses that experience an increase in total claims costs of at least 1 percent as a result of complying with the act. The health coverage may still contain other limits, such as those on the number of days or visits covered	Requires a service	Protects insurance consumers	No Change
Newborns' and Mothers' Health Protection Act of 1996	Federal	Federal Statute	This statute requires that employer-sponsored health coverage that includes hospital stays in connection with childbirth must cover a minimum length of stay for mothers and newborns following delivery. For vaginal deliveries, the coverage provided cannot restrict hospital stays to less than 48 hours; for caesarean births, the coverage provided cannot restrict hospital stays to less than 96 hours.	Requires a service	Protects insurance consumers	No Change; see
Pregnancy in Discrimination Act	Federal	Federal Statute	The Pregnancy Discrimination Act 12 requires businesses with 15 or more employees to cover expenses for pregnancy and medical conditions related to pregnancy on the same basis as coverage for other medical conditions.	Requires a service	Protects insurance consumers requires licensees	No Change
Privacy Act of 1974	Federal	Federal Statute	The Privacy Act of 1974 is a code of fair information practices which mandates how Government agencies maintain records about individuals. The Privacy Act requires that Government agencies: collect only information that is relevant, accurate, complete, and necessary to carry out an agency function; maintain no secret records on individuals. The Privacy Act only applies to Government records that contain information on individuals, are maintained by a Government agency or its contractors in an approved system of records, and are retrieved by a personal identifier, such as a person's name, Social Security Number, medical record number or other unique identifier.	Requires a service	Protects insurance consumers	No Change
Sarbanes-Oxley	Federal	Federal Statute	The Sarbanes-Oxley Act created new standards for corporate accountability as well as new penalties for acts of wrongdoing. It changes how corporate boards and executives must interact with each other and with corporate auditors. It removes the defense of "I wasn't aware of financial issues" from CEOs and CFOs, holding them accountable for the accuracy of financial statements. The Act specifies new financial reporting responsibilities, including adherence to new internal controls and procedures designed to ensure the validity of their financial records.	Requires a service	Protects insurance consumers	No Change
Terrorism Risk in Insurance Act	Federal	Federal Statute	TRIA establishes a program authorizing the federal government to cover a substantial portion of losses caused by a terrorist attack. The Terrorism Risk Insurance Act of 2002, Pub. L. No. 107-297, 116 Stat. 2322 covers up to \$100 billion in total insured losses. The Act also creates certain requirements for insurers and is likely to affect upcoming insurance renewals and premium rates.	Requires a service	Protects insurance consumers and licensees	No Change
Women's Health and Cancer Rights Act of 1998	Federal	Federal Statute	The Women's Health and Cancer Rights Act of 1998 requires that employer-sponsored health coverage that provides coverage for mastectomies also cover related reconstructive surgery and other mastectomy-related benefits, such as coverage for prostheses and physical complications (including lymphedemas).	Requires a service	Protects insurance consumers	No Change

2024

Services Data

as submitted for the Accountability Report by:
R200 - Department of Insurance

Description of Service	Description of Direct Customer	Customer Name	Others Impacted by Service	Division or major organizational unit providing the service.	Description of division or major organizational unit providing the service.	Primary negative impact if service not provided.	Changes made to services during FY2024	Summary of changes to services
Respond to inquiries, complaints, and allegations of unfair trade practices, unapproved rates or forms, unfair claims practices, or violation of SC insurance laws.	Citizens	Policy Holders	N/A-Same	SC DOI (R200)	(Consumer Services) Citizens	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
When complaints or allegations are reported, an analysis is conducted to determine if unfair practices are occurring.	DOI Units, citizens, NAIC, MAWG, companies, insurers	Policy Holders	DOI Units, NAIC, MAWG, companies, insurers	SC DOI (R200)	(Market Regulation) DOI Units, citizens, NAIC, MAWG, companies, insurers	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Conduct comprehensive examinations of primarily SC domestic insurance companies and foreign examinations as needed.	Insurance companies licensed in SC, policy holders of the insurers, and insurance companies	Policy Holders	Insurance Companies	SC DOI (R200)	(Financial Examinations) Insurance companies licensed in SC, policy holders of the insurers, and insurance companies	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Review financial statements of licensed SC insurers to monitor compliance. Licenses are tracked and usage documented. Review admission applications and make sure insurers maintain the mandated security deposit.	Insurance companies licensed in SC, policy holders of the insurers, and insurance companies	Policy Holders	Insurance Companies	SC DOI (R200)	(Financial Analysis) SC licensed insurance companies, policy holders, and insurance companies	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Issue captive licenses. Provide financial surveillance of captives. Monitor market conditions and the business climate necessary to develop the alternative risk market.	All Captive Companies	Captive Companies	N/A-Same	SC DOI (R200)	(Captive Regulation) All Companies	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Review rates, rules, policy forms of licensed insurers for compliance with the state law.	SC Licensed insurers	Policy Holders	Insurance Companies	SC DOI (R200)	(Rate and Form Regulation) SC Licensed insurers	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	

Description of Service	Description of Direct Customer	Customer Name	Others Impacted by Service	Division or major organizational unit providing the service.	Description of division or major organizational unit providing the service.	Primary negative impact if service not provided.	Changes made to services during FY2024	Summary of changes to services
Consumers contact this unit for inquiries regarding trade practices, interpretation of SC insurance law and regulations.	Citizens; insurance companies, executives, agencies, associations, and producers; adjusters; surplus line brokers; attorneys; appraisers; NAIC; state insurance departments; and legislators.	Policy Holders	Citizens; insurance companies, executives, agencies, associations, and producers; adjusters; surplus line brokers; attorneys; appraisers; NAIC; state insurance departments; and legislators.	SC DOI (R200)	(Individual Licensing) Citizens; insurance companies, executives, agencies, associations, and producers; adjusters; surplus line brokers; attorneys; appraisers; NAIC; state insurance departments; and legislators.	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Responsible for administering the contract pertaining to the state insurance licensing exams and make sure exams are current with SC law. Certify insurance instructors to teach continuing education.	Citizens, insurance companies, producers, adjusters, surplus lines brokers, attorneys, appraisers, insurance agencies (small business), insurance company executives, NAIC, state insurance departments, universities and schools, legislators, licensing exam groups, and insurance associations	Policy Holders	Citizens; insurance companies, executives, agencies, associations, and producers; adjusters; surplus line brokers; attorneys; appraisers; NAIC; state insurance departments; and legislators.	SC DOI (R200)	(Education Services) Citizens, insurance companies, producers, adjusters, surplus lines brokers, attorneys, appraisers, insurance agencies (small business), insurance company executives, NAIC, state insurance departments, universities and schools, legislators, licensing exam groups, and insurance associations	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Determine if the customer groups are qualified to transact business in the state according to the insurance laws of SC. If so, then a license is issued. In addition, respond to inquiries and/or complaints regarding these groups; assess for violation of SC insurance laws.	Third party administrators, Premium finance companies, service contract providers, utilization review organization, and bail bondsman	Third party administrators, Premium finance companies, service contract providers, utilization review organization, and bail bondsman	N/A-Same	SC DOI (R200)	(Special Services) Third party administrators, Premium finance companies, service contract providers, utilization review organization, and bail bondsman	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Protect consumer interest by providing sound legal advice, advocacy and representation to DOI staff laws on insurance, regulatory, and other legal matters.	DOI units and citizens	DOI units and citizens	N/A-Same	SC DOI (R200)	(General Counsel) DOI units and citizens	Citizens. They would have no recourse outside of hiring an attorney when issues arise.	No Change	
Provide budgeting, financial planning, payroll processing, revenue collection, procurement and office management.	DOI staff, the Budget and Control Board, and the legislature	DOI staff, the Budget and Control Board, and the legislature	N/A-Same	SC DOI (R200)	(Finance and Accounting) DOI staff, the Budget and Control Board, and the legislature	The Agency could be financially irresponsible, incurring deficits for the state.	No Change	
Employee recruitment and selection, relations management, classification and compensation, organizational development, employee training, and human resource analysis and planning.	Potential employees and DOI staff (current and past); SC Budget and Control Board, OHR, SC Office of Human Affairs	Potential employees and DOI staff (current and past); SC Budget and Control Board, OHR, SC Office of Human Affairs	N/A-Same	SC DOI (R200)	(Human Resources) Potential employees and DOI staff (current and past); SC Budget and Control Board, OHR, SC Office of Human Affairs	The Agency would not have skilled staff to perform the agency mission.	No Change	

Description of Service	Description of Direct Customer	Customer Name	Others Impacted by Service	Division or major organizational unit providing the service.	Description of division or major organizational unit providing the service.	Primary negative impact if service not provided.	Changes made to services during FY2024	Summary of changes to services
Provide agencies with the requested data and offer technical support to DOI staff and citizens using the web site. Create internal databases and enhance existing data processes and network operations. Identify critical technological needs.	Agents, brokers, insurance companies, DOI staff citizens, and other agencies	Agents, brokers, insurance companies, DOI staff citizens, and other agencies	N/A-Same	SC DOI (R200)	(Information Technology) Agents, brokers, insurance companies, DOI staff citizens, and other agencies	The Agency could not operate efficiently.	No Change	
Review and audit fee and premium tax returns for licensed insurance companies, captive companies and Surplus Lines Brokers. Insurers that do not submit timely tax returns are referred to Legal.	Insurance company officials, insurance agencies, brokers (surplus lines), agency tax writers, and citizens	Insurance company officials, insurance agencies, brokers (surplus lines), agency tax writers, and citizens	N/A-Same	SC DOI (R200)	(Taxation) Insurance company officials, insurance agencies, brokers (surplus lines), agency tax writers, and citizens	The state would not receive it's proper share of premium tax revenue.	No Change	
Provide citizens with up to \$5000 to assist individuals in making homes hurricane-resistant. Provide education regarding the grant program, preparation and hurricane safety, and homeowner's insurance.	Residents in owner-occupied coastal homes	Residents in owner-occupied coastal homes	N/A-Same	SC DOI (R200)	Safe Home Program (Hurricane Mitigation) Residents in owner-occupied coastal homes	Homeowners would not be able to make needed remediation improvements on their homes to protect from storms. Insurance costs would increase.	No Change	
Provides market availability for hard to find insurance coverage: SC Reinsurance Facility, SC Wind and Hail Underwriting Association, SC Health Insurance Pool, and SC Commercial Insurance Plans.	Consumers, Agents, Insurers Real Estate Market, other government agencies	Consumers, Agents, Insurers Real Estate Market, other government agencies	N/A-Same	SC DOI (R200)	(Residual Market Mechanism) Consumers, Agents, Insurers Real Estate Market, other government agencies	Citizens would not be able to receive reasonable priced insurance products.	No Change	
Manage records, file storage, and historical retention schedules. Assist customers in locating files per their request.	Everyone	Everyone	N/A-Same	SC DOI (R200)	(Records Management and Auxiliary Services) Everyone	The Agency could not operate efficiently.	No Change	

2024

Partnerships Data

as submitted for the Accountability Report by:
R200 - Department of Insurance

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

Type of Partner Entity	Name of Partner Entity	Description of Partnership	Change to the partnership during the past fiscal year
State Government	State Law Enforcement Division (SLED)	Contractual arrangement to assist with investigating insurance fraud.	No Change

2024

Reports Data

as submitted for the Accountability Report by:
R200 - Department of Insurance

Report Name	Law Number (if applicable)	Summary of information requested in the report	Date of most recent submission DURING the past fiscal year	Reporting Frequency	Type of entity/entities	Method to access the report	Direct access hyperlink or agency contact (if not provided to LSA for posting online)	Changes to this report during the past fiscal year	Explanation why a report wasn't submitted
FY2023 & FY2024 Agreed Upon Procedures Audit		External Audit Report	Annually	South Carolina state agency or agencies	Available on another website	https://osa.sc.gov/reports/	https://osa.sc.gov/reports/	No Change	

AGENCY NAME:	SC Department of Insurance		
AGENCY CODE:	R200	SECTION:	78

**2024
Accountability Report**

SUBMISSION FORM

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

- Data Template
 - Reorganization and Compliance
 - FY2024 Strategic Plan Results
 - FY2025 Strategic Plan Development
 - Legal
 - Services
 - Partnerships
 - Report or Review
 - Budget
- Discussion Template
- Organizational Template

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

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

AGENCY DIRECTOR <i>(SIGN AND DATE):</i>	SIGNATURE ON FILE	Signature Received: 09/15/2024
<i>(TYPE/PRINT NAME):</i>	Michael Wise, ACAS, MAAA	

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