



South Carolina Department of Insurance

HENRY MCMASTER
Governor

RAYMOND G. FARMER
Director of Insurance

November 23, 2020

Dear Superintendent Dwyer and Ms. Schutter:

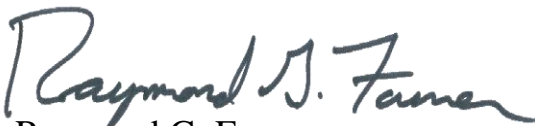
We have closely reviewed the letter that both of you sent me dated November 13, 2020 and relating to our initial request that the Compact decline to review any future long-term care (LTC) rate increases until further notice. This request was for future filings only and was not intended to affect either of the two LTC filings that have been submitted to the Compact this year, one of which we still understand to be “under review”. Given our stated concerns, we intend to request that particular filing company send the rate request to our Department for our internal review.

Your November 13th letter to me outlines several suggested alternatives to resolve this matter. Again, we’ve closely reviewed each of those. From among the several alternatives you’ve outlined, our preference would be for the Compact to amend its standards for reviews of all LTC rate increases. We further recommend that this reevaluation result in eliminating the 15% threshold entirely.

Consequently, please consider this letter a written request to the Compact to study whether to either lower or remove the 15% threshold for its review of in-force long-term care insurance rate increases. We are only suggesting this change to review thresholds for LTC rate filings, not for any other line or type of insurance rate or form currently handled by the Compact.

Thank you for your attention to this request. If you have any questions or would like to discuss this matter further, you may call me at any time at 803/737-6805.

Sincerely,


Raymond G. Farmer