



February 24, 2022

Insurance Compact Announcement Regarding South Carolina

The Insurance Compact Office is providing information to filers in advance of South Carolina's expected withdrawal as a Compacting State. Every Compacting State has the statutory right to withdraw from the Interstate Insurance Product Regulation Commission. Legislation is pending in South Carolina to repeal the Compact Statute for all types of insurance. The legislation is expected to be fully enacted and effective in the coming days or weeks.

Under the Compact Statute, the withdrawal date is when the repeal takes effect. The Insurance Compact Office is working with the South Carolina Department of Insurance (Department) on this transition. Additional guidance will be issued by the Department when the withdrawal takes effect. In the meantime, Compact filing companies should be aware of the following parameters.

1. Previously approved filings that include SC: No filer action is required.

Compact filings approved prior to the withdrawal date (the date the legislation takes effect) will remain approved with respect to South Carolina. The Compact Statute provides in Article XIV that the withdrawal shall not apply to any product filings approved or self-certified, or any Advertisement of such products, on the date the repealing statute becomes effective. South Carolina will not take action to rescind previously approved Compact filings, and they will be given full force and effect. The Department will continue to have access to their previously approved Compact filings. No filer action is required.

2. Filings pending on the withdrawal date: The Compact Office will notify filers and proactively remove South Carolina from filings pending review upon South Carolina's withdrawal date.

In any filing pending on the withdrawal date, the filer will be asked to acknowledge that South Carolina has been removed and the filing will not be effective for use in South Carolina. The Department will issue guidance addressing filings with South Carolina. Prior to the withdrawal date, filers may request South Carolina be removed from a pending filing by sending a Note to Reviewer accordingly.

3. Filings now pending or planned for submission prior to withdrawal date: Filing companies should be prepared for the removal of South Carolina from filings currently pending in the regular and expedited review queues.

Approval is not guaranteed prior to the withdrawal date. Requests for expedited review connected with this issue will be handled under the normal expedited review procedures. Do not contact the assigned reviewer or

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actuary, or the Insurance Compact Office, about the review timeline of a pending filing in connection with South Carolina's withdrawal.

4. The Insurance Compact Office will issue a notice of South Carolina's withdrawal on its website. The Department will issue guidance addressing filings with South Carolina.

5. Filings made to update products previously approved by the Compact: Compact filings submitted on or after the withdrawal date cannot include South Carolina as a Compact state.

This is an exception to Filing Information Notice 2017-1, in that the states in a Supporting Documentation Update filing must usually match the states in the filing containing the product being updated. No amendments in approved filings containing South Carolina will be permitted after the withdrawal date. The Department will issue guidance addressing filings with South Carolina.

6. Mix and match for South Carolina: Forms and product updates filed with South Carolina are expected to be added to the Statement of Intent of Compact filings with which the South Carolina components will be used.

New forms and product updates filed directly with South Carolina are subject to mix and match requirements for any Compact-approved components that remain in use in South Carolina.

7. The submission process for long-term care advertisement forms is currently under review to make LTC advertisement filings easier to work with for filers and regulators. Filers submitting new LTC advertisement forms should contact the Insurance Compact Office prior to making a new form submission, especially if South Carolina is on the LTC advertisement filing.