October 29, 2021

RE: Notice of Assessment Pursuant to SC Code 38-79-220

As you know, in 2019 the South Carolina General Assembly enacted the provisions of H. 3760, which was intended to reform and modernize the operation of the medical malpractice insurance residual market in this state. This legislation requires the South Carolina Medical Malpractice Association (SCMMA) to assess insurers that write healthcare liability insurance coverage. These assessments are intended to address the substantial accumulated deficits of the South Carolina Medical Malpractice Joint Underwriting Association and the South Carolina Patient's Compensation Fund.

The law requires that the assessment against healthcare liability writers (including captive insurers and risk retention groups) must not be less than 2% nor more than 6% of each insurer's net direct written premium. The accumulated deficit that the SCMMA still must address now stands at approximately $94 million. Consequently, it has been determined that the assessment for 2022 will remain at 6%.

The assessment for each company is the product of the total net direct premium for South Carolina written in the previous calendar quarter, multiplied by .06. You should calculate and pay this assessment at the end of each calendar quarter. Checks should be made payable to the South Carolina Medical Malpractice Association (SCMMA) at 550 South Main Street, Suite 525, Greenville, SC 29601. We have included a form that we request you use to remit your quarterly assessment. You may also find this form on our website at SCMMA.net.

Note also that the new law requires insurers to pass through at least 1% of the assessment to its policyholders. The determination to pass through more than 1% is left to the discretion of each insurer.

Thank you for your attention to this matter and if you have any questions about the content of this notice please feel free to contact me at 864-240-4366 or timothy.j.ward@marsh.com.

Sincerely,

Tim Ward
Program Manager
SC Medical Malpractice Association

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