



South Carolina Department of Insurance

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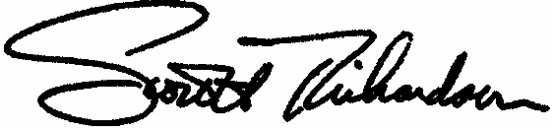
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Director of Insurance

BULLETIN NUMBER 2007-03

TO: All Insurers and Producers Licensed to Transact Accident and Health Insurance Business Within the State of South Carolina

FROM: Scott H. Richardson
Director 

SUBJECT: Marketing Medicare Advantage and Prescription Drug Plan Products

DATE: April 23, 2007

The purpose of this bulletin is to bring to the attention of insurers and producers the licensing requirements for producers who sell, solicit, or negotiate Medicare Advantage Plans and/or the Medicare Part D Prescription Drug Plans in the state of South Carolina. This Department is requesting that all licensed Accident and Health Insurers in South Carolina notify their appointed producers of South Carolina's licensing requirements. Medicare Advantage Plans and/or the Prescription Drug Plans are approved and regulated by the Centers for Medicare and Medicaid Services (CMS), the federal agency that administers the Medicare program. However producers engaged in the marketing and sale of these plans are subject to all applicable South Carolina laws and regulations.

Both resident and nonresident producers who sell the Medicare Advantage products and/or Prescription Drug Plans in South Carolina must hold a South Carolina Accident and Health insurance license and must be appointed by the insurer they represent pursuant to S.C. Code Sections 38-43-10 et seq.

In addition, the Department understands that there have been a number of complaints from senior citizens and their family members regarding the manner in which some producers are marketing these products to seniors. Complaints range from alleged misconduct by licensed producers using aggressive marketing tactics to complaints of producers advising consumers on financial decisions, such as canceling other insurance policies, which may not have been in the best interest of the consumer. Individuals marketing these products are responsible for ensuring that consumers understand that enrollment in a Medicare Advantage plan removes them from the Original Medicare plan and that they will be receiving their Part A and Part B Medicare benefits through the Medicare Advantage plan.

Complaints of producer misconduct will be investigated by this Department and producers found to be in violation of this state's insurance laws will be subject to adverse disciplinary proceedings. The regulatory authority over insurance producers selling and marketing insurance products in South Carolina falls under the jurisdiction of the Department of Insurance pursuant to Title 38 of the South Carolina Code of Laws.

For a list of Accident and Health insurers licensed in South Carolina, please visit the Department's website at: www.doi.sc.gov. Questions concerning this bulletin may be directed to Jim Byrd, Deputy Director Market Services, at P.O. Box 100105, Columbia, S.C. 29202 or at his email address JByrd@doi.sc.gov.