



South Carolina Department of Insurance

300 Arbor Lake Drive, Suite 1200
Columbia, South Carolina 29223

MARK SANFORD
Governor

ELEANOR KITZMAN
Director of Insurance

Mailing Address:
P.O. Box 100105, Columbia, S.C. 29202-3105
Telephone: (803) 737-6160

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To: All Insurers writing Property and Casualty Insurance within the State of South Carolina and all licensed Premium Service Companies

From: Eleanor Kitzman 
Director

Subject: Maximum Fee Schedule for Premium Service Contracts
Effective August 1, 2006

DATE: July 7, 2006

The purpose of this Bulletin is to establish guidelines for the maximum amount that may be charged with respect to the financing of insurance premiums.

In accordance with the provisions outlined in §38-39-80 of the South Carolina Code of Laws, the South Carolina Department of Insurance (Department) hereby promulgates the maximum fee(s) that may be charged with respect to the financing of insurance premiums. Fees not exceeding the promulgated amounts are deemed to be reasonable by the Department. Premium service companies may not charge a fee in excess of the maximum promulgated amount without prior approval by the Department which may only be granted upon proof of actual costs in excess of the promulgated amounts.

The attached Maximum Fee Schedule is effective August 1, 2006. Before using these fees, the premium service company must first file its fee schedule with the Department for informational purposes only. Premium service contracts entered into prior to August 1, 2006 may not use the promulgated fees on the attached Maximum Fee Schedule. Premium service companies are prohibited from using fees as an inducement to enter into this or any other financing arrangement. See S.C. Code Ann. §38-39-80(f) (2002).

Please contact Willie Seawright, Program Coordinator, Market Services Division, P. O. Box 100105, Columbia, S.C. 29202 or at (803)737-6134 with any questions or concerns regarding this Bulletin. Mr. Seawright's e-mail address is wseawright@doi.sc.gov.

SOUTH CAROLINA DEPARTMENT OF INSURANCE
Premium Service Companies
Maximum Fee Schedule

Loans for Personal, Family or Household Purposes
Effective August 1, 2006

Fee Type	Maximum Fee	Applicable Code Section
Premium Service Agreement	\$20	Section 38-39-80(d)
Additional Financing	\$20	Section 38-39-80(d)
Renewals	\$20	Section 38-39-80(d)
Interest Rate Method	1% of the outstanding balance times the number of monthly installments	Section 38-39-80(e)
Fixed Dollar Amount Method	\$10 times the number of monthly installments	Section 38-39-80(g)
Late charge	\$10	Section 38-39-80(c)
Cancellation Charge	\$10	Section 38-39-80(c)
Convenience Fee	\$3	Section 38-39-80(h)