



South Carolina Department of Insurance

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BULLETIN NUMBER 2006-04

To: All Property and Casualty Insurers Writing Automobile Insurance Within the State of South Carolina

From: Eleanor Kitzman *sk*
Director

SUBJECT: Cancellation of Automobile Insurance Policies Within First 60 Days
Automobile Insurance Cancellations Pursuant to 2006 S.C. Act No. 315
(S.C. Code Ann. § 56-10-280)

DATE: July 27, 2006

The purpose of this Bulletin is to bring to your attention recent legislative changes affecting cancellation provisions for private passenger automobile insurance policies (policy). 2006 S.C. Act No. 315 (Act 315) amends § 56-10-280 by adding subsection 4 to permit cancellation of an automobile insurance policy for nonpayment of premium.

Section 56-10-280, as amended, now provides that a contract or policy may be cancelled within the first sixty days...if:

(4) the insured fails to pay when due the premium for the policy, an installment of the premium, or an installment payment under a premium service contract. The contract or policy of insurance must remain in effect for at least thirty days.

The effect of this amendment is that a policy may now be canceled *within* the first sixty days for nonpayment of premium, but may not be cancelled before the 31st day. All other provisions of South Carolina law regarding the cancellation of automobile insurance policies remain unchanged. See S.C. Code Ann. §38-77-120 (2002); also S.C. Code Ann. §38-77-390 (2002).

Effective August 1, 2006, all automobile property and casualty insurance policy forms offered in this state must comply with this statutory change. Insurers may amend their policy forms by endorsement. These forms must be submitted for approval to Carla Lachance, Manager, Forms and Rates, at the address listed below. Questions regarding

the content of this bulletin or filing requirements may be directed to her attention at the following address.

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