

South Carolina Department of Insurance

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


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

MARK SANFORD
Governor

ERNST N CSISZAR
Director of Insurance

BULLETIN NUMBER 2004 – 10 (Issued upon August 18, 2004)

To: Property and Casualty Insurers Writing Automobile Insurance

From: Ernst N. Csiszar
Director 

Subject: Legislative Changes in Automobile Insurance Regarding
Excluded Drivers

Act 241 has been enacted by the South Carolina General Assembly and it includes a change to the process for excluding named drivers in South Carolina. The legislation is effective on January 1, 2005 and may require insurers to change their forms for policies effective on that date. Bulletin 1974-32 is repealed effective January 1, 2005.

Beginning on January 1, 2005, the revised law will read as follows:

Section [38-77-340](#). Notwithstanding the definition of 'insured' in Section [38-77-30](#), the insurer and any named insured, by the terms of a written amendatory endorsement, the form of which has been approved by the director or his designee, must agree that coverage under such a policy of liability insurance shall not apply while the motor vehicle is being operated by a natural person designated by name. The agreement, when signed by the named insured, is binding upon every insured to whom the policy applies and any substitution or renewal of it. However, no natural person may be excluded unless the named insured declares in the agreement that (1) the driver's license of the excluded person has been turned in to the Department of Motor Vehicles or (2) an appropriate policy of liability insurance or other security as may be authorized by law has been properly executed in the name of the person to be excluded."

Insurers may file to change the form that they use for excluding named drivers. A form filed with the Department for this purpose must include the signed declaration of the named insured that (1) the driver's license of the excluded person has been turned in to the Department of Motor Vehicles or (2) an appropriate policy of liability insurance or other security as may be authorized by law has been properly executed in the name of the person to be excluded.

Questions on this bulletin may be sent to P&Cmail@doi.state.sc.us or call 803-737-6230.