



# South Carolina Department of Insurance

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## BULLETIN 2008-20

TO: All Property and Casualty Insurers Writing Private Passenger Automobile Insurance Policies

FROM: Scott H. Richardson, CPCU  
Director of Insurance

RE: Expedited Filing Procedures for Compliance with the Termination of Recoupment Surcharge on Private Passenger Automobile Policies by December 15, 2008

DATE: December 5, 2008

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S.C. Code Reg. 69-63 provides that the Director shall evaluate the funds collected by the automobile recoupment surcharge and compare this amount with the projected runoff. The projections developed by the South Carolina Reinsurance Facility indicate that, *if* companies cease the collection of recoupment surcharges on new and renewal policies effective on or after December 15, 2008, the debt of the facility should be satisfied.

The notice of intent to terminate the recoupment surcharge required under S.C. Code Reg. 69-63 was set forth in South Carolina Department of Insurance (DOI) Bulletin 2008-14 and DOI Order 2008-04. Via Order 2008-04, all insurers were instructed to cease the collection of recoupment surcharges on all applicable new and renewal automobile insurance policies with an effective date on or after December 15, 2008.

This Bulletin sets forth the expedited filing procedures necessary for insurers to comply with the termination of the recoupment surcharge on private passenger automobile insurance policies. Effective December 15, 2008 for all new and renewal policies, all private passenger automobile insurers transacting business in this state must follow the following steps: (1) modify their rating algorithm to stop collecting premium associated with recoupment surcharge; (2) delete "recoupment surcharge" related Forms and Rules from their rating manual(s); and (3) notify the DOI of the changes in steps (1) and (2) by December 15, 2008 via the expedited filing form. A copy of that form is attached as Exhibit A.

Proper completion and filing of this form will evidence the insurer's compliance with Order 2008-04. Failure to file the expedited filing form will be construed as continuation of the recoupment surcharge. Any insurer found to be in violation will be subject to administrative

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disciplinary action under Section 38-2-10 of the South Carolina Code and required to make refunds to policyholders. Please follow the procedures set forth below:

- a. If an insurer has already filed for recoupment surcharge-related changes **ONLY**, they can proceed with the changes and notify the DOI as specified in step (3).
- b. If an insurer has already filed for recoupment surcharge related changes along with any other Form, Rule or Rate change, they need to proceed with step (3) above. The insurer will also be required to separately file for the premium effect from “other changes only.” Conversely, if an insurer simply **stopped collecting** the surcharge before December 15, 2008, **the insurer must notify the Department immediately upon receipt of this bulletin.**

The Expedited Filing Form is attached for use for the Department notification. A 2004 Form must also be completed and submitted with the Expedited Filing Form. Submission of this form does not constitute a rate filing. Questions about this bulletin or the filing process may be directed to the attention of Lessia Lynch at (803) 737-6220 or [llynch@doi.sc.gov](mailto:llynch@doi.sc.gov).

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