South Carolina Department of Insurance

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BULLETIN NUMBER 2014-01

TO: All Insurers Transacting Private Passenger Automobile Insurance Business in South Carolina

FROM: Raymond G. Farmer
Director of Insurance

RE: 2014 Uninsured Motorist Distribution

DATE: January 2, 2014

South Carolina law provides that South Carolina drivers seeking to drive uninsured must pay annually a fee of five hundred fifty dollars ($550) for the privilege of operating an uninsured vehicle on South Carolina highways or a three hundred dollar ($300) reinstatement fee. *See, e.g.,* S.C. Code Ann. §56-10-510 (Supp. 2013). These fees are deposited into the Uninsured Motorist Fund ("Fund") to be disbursed in accordance with §§ 38-77-151 through 38-77-155. Section 38-77-155 states that the Director of Insurance shall distribute monies annually from the Fund among the several insurers writing motor vehicle bodily injury and property damage liability insurance on motor vehicles registered in this state.

Your company may receive a check representing your company's portion of the uninsured motorist distribution based upon its 2013 market share. This amount was calculated pursuant to the requirements of §38-77-155. The purpose of the Fund is to reduce the cost of uninsured motorist insurance coverage. Therefore, the method used to account for these funds must be consistent with the purpose set forth in §38-77-154. Generally, such funds are treated as other income for purposes of the insurer's annual statement.

Please do not hesitate to contact Tom Watson, Finance Director, at (803) 737-6141 or via E-mail at twatson@doi.sc.gov if you have any questions or concerns about the amount of this year's distribution.