State of South Carolina

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Workers' Compensation Commission Advisory Notice

Notice of Cancellation of Policy

April 28, 2021

The Governor signed into law Act No. 13 which, among other things, affects the procedure for an insurer to cancel, non-renew, or terminate all or substantially all a class of business. Section 6 amended Section 38-75-730 by adding subsection (e) to read:

(e) Cancellation of a workers' compensation insurance policy under this section is not effective unless written notice of cancellation is delivered or mailed to the South Carolina Workers' Compensation Commission, and to the insured, not less than the time frame required for notice to the insured under this section.

The Commission has received numerous calls from stakeholders inquiring if this language changed the requirements for notifying a workers' compensation policy holder about cancelling their policy. It does not. Pursuant to regulation R 67-405 C (1) an insurance carrier shall file a notice of termination with the Workers' Compensation Commission of termination in accordance with regulation R 67-416 Electronic Data Interface. Such termination shall not be effective until 30 days after receipt by the Commission's authorized agent, the National Council on Compensation Insurance (NCCI). Therefore, the procedure for an insurance carrier notifying the Commission of a cancellation of a policy has not changed. The carrier will continue to notify NCCI via electronic data interface of any changes to a workers' compensation policy and the termination will not be effective until 30 days after notifying NCCI.

Please continue to monitor our website <u>www.wcc.sc.gov</u> for updates and direct any questions or comments to

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