

FORMS – APPROVED

JANUARY 27, 2023

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|----------------------------------------|----------------|
| COMMERCIAL PROPERTY | LI-CF-2023-012 |
| COMMERCIAL INLAND MARINE | LI-CM-2023-007 |
| CRIME AND FIDELITY | LI-CR-2023-003 |
| EQUIPMENT BREAKDOWN | LI-EB-2023-004 |
| EMPLOYMENT-RELATED PRACTICES LIABILITY | LI-EP-2023-003 |
| FARM | LI-FR-2023-018 |
| GENERAL LIABILITY | LI-GL-2023-025 |
| CAPITAL ASSETS PROGRAM (OUTPUT POLICY) | LI-OP-2023-009 |
| MEDICAL PROFESSIONAL LIABILITY | LI-PR-2023-003 |

SOUTH CAROLINA REVISED CHANGES ENDORSEMENT APPROVED

KEY MESSAGE

This circular announces the approval of filing [CL-2022-OCAN1](#) in response to 2022 S.C. Acts ____ (former H.B. 4832).

Filing ID: CL-2022-OCAN1

Effective Date: 6/1/2023 (Medical Professional Liability)

Distribution Date: 6/2023 (All Other Commercial Lines)

BACKGROUND

In circulars [LI-CF-2023-001/](#)[LI-CM-2023-001/](#)[LI-CR-2023-001/](#)[LI-EB-2023-001/](#)[LI-EP-2023-001/](#)[LI-FR-2023-001/](#)[LI-GL-2023-001/](#)[LI-OP-2023-001/](#)[LI-PR-2023-001](#), we announced that we had submitted CL-2022-OCAN1, which revises the Cancellation provisions of IL 02 49, South Carolina Changes – Cancellation And Nonrenewal, in response to 2022 S.C. Acts ____ (former H.B. 4832).

INSURANCE DEPARTMENT ACTION

The South Carolina Insurance Department has approved filing CL-2022-OCAN1 as filed.

EFFECTIVE DATE

Medical Professional Liability

The ISO revision is subject to the following rule of application: These changes are applicable to all policies written on or after June 1, 2023.

All Other Commercial Lines

We do not establish an effective date for Commercial Property, Commercial Inland Marine, Crime and Fidelity, Equipment Breakdown, Employment-Related Practices Liability, Farm, General Liability, or Capital Assets Program (Output Policy) forms revisions in South Carolina. Each insurer that elects to utilize this revision is responsible for determining its own effective date.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Number CL-2022-OCAN1 and SERFF Tracking Numbers ISOF-133504818(CF)/ISOF-133504792(CM)/ISOF-133504736(CR)/ISOF-133504821(EB)/ISOF-133504748(EP)/ISOF-133504743(FR)/ISOF-133504778(GL)/ISOF-133505327(OP)/ISOF-133504666(PR), NOT this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- A new edition date of an existing form number is being introduced.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2022-006](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Portfolioholders with an edition date of 6-23 (or the earliest possible subsequent date), along with any new and/or revised forms.

REFERENCE(S)

- [LI-CF-2023-001/LI-CM-2023-001/LI-CR-2023-001/LI-EB-2023-001/LI-EP-2023-001/LI-FR-2023-001/LI-GL-2023-001/LI-OP-2023-001/LI-PR-2023-001](#) (01/03/2023) South Carolina Revised Changes Endorsement Filed
- [LI-CL-2022-006](#) (02/22/2022) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Final copy of [IL 02 49 06 23](#)

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CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:

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- Other issues for this circular, please contact Customer Support:

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Except as otherwise provided in Paragraph **C.** of this endorsement, Paragraphs **2.** and **3.** of **Cancellation** Common Policy Condition are replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:

- a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b.** 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.

B. The following is added to the **Cancellation** Common Policy Condition:

7. Cancellation Of Policies In Effect For 120 Days Or More

If this policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- a.** Nonpayment of premium;
- b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the policy;

c. Substantial change in the risk assumed, except to the extent that:

- (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
- (2)** We should reasonably have foreseen the change or contemplated the risk in writing the policy;

d. Substantial breaches of contractual duties, conditions or warranties; or

e. Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

- C. The following change applies only if Flood Coverage Endorsement **CP 10 65** or Flood Coverage **OP 10 04** is attached to this policy and supersedes any provision to the contrary:

Paragraph **2.b.** of **Cancellation** Common Policy Condition is replaced by the following:

- b. 45 days before the effective date of cancellation if we cancel for any other reason permissible under applicable law.

- D. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
2. If we decide not to renew this policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1) The expiration date of this policy, if the policy is written for a term of one year or less; or

- (2) An anniversary date of this policy, if the policy is written for a term of more than one year or for an indefinite term; and

- b. Provide at least 60 days' notice of nonrenewal.

3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. Any notice of nonrenewal will state the precise reason for nonrenewal.