I. QUALIFICATIONS

To qualify for a self-insured certificate a company must have:

(A) A minimum of 26 vehicles registered or to be registered in South Carolina in the name of the company.

(B) A positive net worth of at least twenty million ($20,000,000.00) dollars, or a segregated claims self-insured account with a sum of three thousand ($3,000.00) dollars for each vehicle registered in South Carolina.

An excess insurance policy is optional by the company.

II. SELF-INSURED CLAIMS ACCOUNT

The segregated Self-Insured “Claims Account” shall be established and maintained as follows:

(A) SEGREGATED ACCOUNT - The account or accounts must be with a banking institution authorized to do business in South Carolina. The account must be in the company's name and designated as its "Claims Account". The account must be labeled as such if not already done so. The funds must be protected by Federal Deposit Insurance.

(B) REQUIRED DEPOSIT - At the beginning of each certificate year, the company must have on deposit in the account a balance equal to three thousand ($3,000.00) dollars for each vehicle registered in South Carolina under the company's name. Additional deposits of three thousand ($3,000.00) per vehicle shall be required if the number of vehicles registered in the company's name increases during the certification period.

(C) PERMITTED WITHDRAWALS - No withdrawals shall be made from the account except for payment of claims against the company for bodily injury, death or property damage arising out of accidents, which involve vehicles covered by the Self-Insured Certificate. In addition, adjustment expenses and administration costs may be paid from the account. The cost of excess insurance coverage is optional.

(D) MINIMUM BALANCE – The starting balance is the amount required in the account at the beginning of the certificate year as defined above as “Required Deposit”. The company shall maintain at all times a minimum balance in the account of seventy (70%) percent of the required deposit. The balance should not be diminished except for payment of claims or actual reduction in fleet size and in no event can it fall below $78,000 ($3,000 x 26 vehicles). In case of a decrease in fleet size during the certificate year, the company shall maintain the greater of (a) $3,000 per vehicle in the fleet at any given time or (b) not less than 70 percent of the balance reported in the most recent application.

(E) BANK STATEMENTS - The company shall authorize and direct a South Carolina bank to promptly provide SCDMV copies of the bank statements for the account with the yearly application or upon request of SCDMV. If the bank will not provide such copies, then it shall be the company's responsibility to provide copies of such statements to SCDMV.

(F) CORRESPONDENCE TO SCDMV - All correspondence, copies of bank statements and reports required to be sent to SCDMV shall be sent by regular mail to the address provided in section V below.

(G) UNANNOUNCED AUDITS - The SCDMV shall have the authority to make unannounced audits of the account at any time.

(H) LEGAL COUNSEL - If legal representation is necessary for the defense of claims litigation, it is recommended that the company shall employ an attorney who regularly practices in the area of insurance defense, not a salary employee of the company. Litigation expenses incurred in defending such claims may be paid from the account.

III. OTHER MANDATORY REQUIREMENTS

(A) The applicant must provide with its application for self-insured status the following items:

1) A financial statement completed by a certified public accountant, dated within 12 months of the application date.

2) The company’s procedural guidelines for processing claims. If a third party or other company processes claims for the self-insured you must still require that party to submit the guidelines and provide us with the name and address of that entity.

3) A listing of all motor vehicles to be self-insured including year, make, vehicle identification number, vehicle license number and state where title was issued.

(B) The company shall promptly provide the SCDMV with a quarterly report of all claims made against the company and the disposition of such claims.

(C) The company shall promptly notify the SCDMV of any changes in the information provided on its application during the certificate year.

(D) Self-insured must cover claims for bodily injury, death or property damage and uninsured motorist claims.

IV. CANCELLATION OF CERTIFICATES OF SELF-INSURED

A certificate of self-insured can be cancelled for reasonable grounds. Reasonable grounds shall include, but it not limited to, the failure to pay a judgment within 30 days of its entry in any court of competent jurisdiction.

V. FOR MORE INFORMATION OR APPLICATION, CONTACT:

SC Department of Motor Vehicles
Financial Responsibility Office - Attention: Self-Insured Unit
Post Office Box 1498, Blythewood, South Carolina 29016-0040
(803) 896-8079