**20:06:29:02.  Replacement of policy.** This section applies to the cancellation date of any replaced policy, other than a life or health policy. If the replacing policy is already effective on the date an insured or an insured's representative makes a request for cancellation of the replaced policy, the cancellation date of the replaced policy shall coincide with the effective date of the replacing policy if the insured or an insured's representative provides to the replaced insurer one of the following:

(1)  A copy of the declaration of the replacing policy or a binder issued under the authority of the replacing insurer; or

(2)  The replaced policy or a properly completed lost policy release form.

However, if a document in subdivision (1) or (2) is not provided to the replaced insurer, the cancellation date of the replaced policy shall coincide with the date of request for cancellation of the replaced policy.

A personal policy is considered to be a replacing policy for coverage purchased by a lending institution for its interest in the property of the borrower.

The insurer who is honoring a request for cancellation made pursuant to this section is not liable for coverage under the policy after the effective date of the cancellation regardless of the date the cancellation was requested.

A replaced insurer who, pursuant to the policy, made one or more Public Utilities Commission form filings, a similar filing in another state, or an Interstate Commerce Commission filing is not required to comply with this section unless the replacing insurer provides a hold harmless agreement for the period of time during which the filing requires the replaced carrier to continue with the risk.

**Source:** 22 SDR 52, effective October 25, 1995; 24 SDR 86, effective December 31, 1997; 25 SDR 76, effective November 26, 1998.

**General Authority:** SDCL 58-11-63(1)(4)(7).

**Law Implemented:** SDCL 58-11-63(1)(4)(7), 58-33-35, 58-33-83.