

Home Benefits, Inc. & American Traveler Motor Club, Inc. v. SCDCA

(Case No. 2012-CP-40-6341)

Home Benefits, Inc. & American Traveler Motor Club, Inc. (Home Benefits/American Traveler) are corporations organized in the State of Delaware and do business in the State of South Carolina. They offer auto security and home security plans to consumers through lenders.

On October 30, 2008, the Department issued Declaratory Ruling No. 3.202-7608 (2008 Ruling) by letter. The 2008 Ruling rescinded Declaratory Ruling No. 3.202-7608 dated October 1, 1976, (1976 Ruling), which allows for the sale of non-credit insurance products from the offices of supervised lenders if certain specific conditions are met.

On January 20, 2009, Home Benefits/American Traveler filed an appeal at the Administrative Law Court (ALC), requesting injunctive relief and a hearing regarding the Department's 2008 Ruling. On June 5, 2012, at a hearing before the ALC, the parties agreed to Home Benefits/American Traveler withdrawing their appeal from the ALC and filing the case at the Richland County Court of Common Pleas.

On September 21, 2012, Home Benefits/American Traveler filed an action for declaratory relief in the Richland County Court of Common Pleas, and subsequently filed a Motion for Summary Judgment. The circuit court issued an Order Granting Home Benefits/American Traveler Partial Summary Judgment on April 30, 2014. The court concluded it could not grant summary judgment for Home Benefits/American Traveler on the issue of notice as it was a contested question of fact.

On May 23, 2014, the Department filed and served a Rule 59(e) Motion asserting nine grounds as the basis for the court to alter or amend the Order Granting Plaintiffs' Partial Summary Judgment. On March 23, 2015, the court issued an Amended Form 4 Order denying the Department's "first seven grounds", granting the Department's "eighth ground", ordering Home Benefits/American Traveler to bear the cost of their attorneys' fees, and ending the case. The Department timely appealed the court's order to the Court of Appeals and Home Benefits/American Traveler appealed the court's ruling on attorneys' fees.

On May 20, 2015, the Department filed a motion to withdraw its appeal after thorough consideration of the issues on appeal as well as the benefit of a favorable outcome on these issues. The Department reached the conclusion that it would not only be in the interest of judicial economy but also would preserve the time and resources of the Department and Home Benefits/American Traveler, if the Department withdrew its appeal and issued a new declaratory ruling. On October 23, 2015, Home Benefits/American Traveler withdrew its appeal regarding attorneys' fees, and on October 28, 2015, the Court of Appeals granted the motions to withdraw appeal.