CHAPTER 10

Motor Vehicle Registration and Financial Security

ARTICLE 1

Vehicle Financial Security and Other Matters

**SECTION 56‑10‑10.** Security required on registered vehicles.

Every owner of a motor vehicle required to be registered in this State shall maintain the security required by Section 56‑10‑20 with respect to each motor vehicle owned by him throughout the period the registration is in effect. No certificate of registration may be issued or transferred to an owner by the director of the Department of Motor Vehicles unless the owner or prospective owner produces satisfactory evidence that the security is in effect, including the name of the owner's automobile liability insurer, and his signed statement, subject to this state's perjury statutes, that insurance is in place as required by this section.

HISTORY: Former 1976 Code Section 56‑11‑190 [1962 Code Section 46‑750.110; 1974 (58) 2718; Am, 1987 Act No. 166, Section 19] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑10 by 1987 Act No. 155, Section 9; 1993 Act No. 181, Section 1473; 1994 Act No. 497, Part II, Section 121K; 1996 Act No. 459, Section 218.

Code Commissioner's Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "department".

**SECTION 56‑10‑20.** Type of security required.

The security required under this chapter is a policy or policies written by insurers authorized to write such policies in South Carolina providing for at least (1) the minimum coverages specified in Sections 38‑77‑140 through 38‑77‑230 and (2) the benefits required under Sections 38‑77‑240, 38‑77‑250, and 38‑77‑260. However, the director or his designee may approve and accept another form of security in lieu of such a liability insurance policy if he finds that such other form of security is adequate to provide and does in fact provide the benefits required by this chapter.

HISTORY: Former 1976 Code Section 56‑11‑200 [1962 Code Section 46‑750.120; 1974 (58)2718] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑20 by 1987 Act No. 155, Section 9; 1993 Act No. 181, Section 1474; 1996 Act No. 459, Section 219.

**SECTION 56‑10‑30.** Automatic suspension of registration upon lapse or termination of security.

If at any time the security required of any person under Section 56‑10‑20 lapses or terminates, the certificate of registration of the motor vehicle for which the security was in effect and the owner's driving privileges are, as of the date the security lapses or terminates, automatically suspended and must remain suspended until the security is replaced.

HISTORY: Former 1976 Code Section 56‑11‑210 [1962 Code Section 46‑750.121; 1974 (58) 2718] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑30 by 1987 Act No. 155, Section 9; 2004 Act No. 241, Section 1.

**SECTION 56‑10‑40.** Providers of insurance or security to notify Department of Motor Vehicles of termination or lapse; notice to person holding registration.

Every insurer writing automobile liability insurance in this State and every provider of other security approved and accepted by the director or his designee in lieu of such insurance shall notify the Department of Motor Vehicles in a manner prescribed by regulation of the lapse or termination of any such insurance or security and shall notify the department of compliance transactions required of vehicle owners under Section 56‑10‑650 as prescribed by regulation. These notifications must be made in a manner prescribed by the working group.

Upon receipt of any such notice of lapse or termination the department shall make a reasonable effort to notify the person that his certificate of registration and driving privileges have been suspended and shall recover the certificate from such person and the motor vehicle plate from the vehicle concerned.

HISTORY: Former 1976 Code Section 56‑11‑220 [1962 Code Section 46‑750.122; 1974 (58) 2718] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑40 by 1987 Act No. 155, Section 9; 1993 Act No. 181, Section 1475; 1996 Act No. 459, Section 220; 2002 Act No. 324, Section 5; 2004 Act No. 241, Section 2.

Code Commissioner's Note

2002 Act No. 324, Section 12, provides as follows:

"This act takes effect July 1, 2002; provided, however, that Section 56‑10‑650 and Sections 5, 6, and 9 are effective one hundred eighty days after the latter of certification by the department to the President Pro Tempore of the Senate and the Speaker of the House of Representatives that the program has been implemented and is fully prepared to accept data transmitted by the insurers or publication of final regulations by the department."

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "department".

**SECTION 56‑10‑45.** Confiscation of registration certificates and license plates.

(A) The Department of Public Safety and the Department of Motor Vehicles each may enter into agreements with other municipal and county law enforcement agencies for the collection of suspended or revoked drivers' licenses, motor vehicle registrations, and motor vehicle plates. The contracting department must assess a fifty dollar fine for each item recovered pursuant to this section in addition to any other fines assessed. Upon collection, this fine must be returned on a quarterly basis to the general fund of the municipality or county which initiated the enforcement action.

(B) All motor vehicle registration certificates, motor vehicle plates, and drivers' licenses confiscated or seized pursuant to this section must be returned to the Department of Motor Vehicles within fifteen days.

(C) The Department of Motor Vehicles shall collect and keep the reinstatement fee as provided in Section 56‑10‑240 and the per diem fine as provided in Section 56‑10‑245 upon the reinstatement of tags confiscated by local law enforcement agencies pursuant to this section. Fines collected pursuant to Section 56‑10‑240, referring to the monetary penalty of a person who is guilty of a misdemeanor for wilful failure to return his motor vehicle license plates and registration, must be paid to the governing body of the local law enforcement agency confiscating the tags and deposited in the general fund of the local governing body. The director or his designee shall monthly provide information to local law enforcement agencies, upon request of the local law enforcement agency, on uninsured vehicles.

HISTORY: 1989 Act No. 148, Section 48; 1993 Act No. 113, Section 3; 1993 Act No. 181, Section 1476; 1996 Act No. 459, Section 221.

Code Commissioner's Note

Pursuant to the direction to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was added following "Department of Public Safety" in subsection (A) and "Department of Motor Vehicles" was substituted for "department" in subsections (B) and (C).

**SECTION 56‑10‑46.** Enhanced proof of insurance requests following lapse or termination.

A person responding to the notice contained in Section 56‑10‑40 who purchased insurance after receiving the notice shall have his motor vehicle record noted to indicate that he will be subject to regular requests for proof of insurance from the Department of Motor Vehicles. The person shall be required to provide proof of coverage as prescribed by regulation every seven months for a period of three years.

HISTORY: 2002 Act No. 324, Section 7.

Code Commissioner's Note

Pursuant to the direction to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "Motor Vehicles Division".

**SECTION 56‑10‑50.** Suspension of registration not to affect title to vehicle.

No suspension of a certificate of registration hereunder affects the status of title to the motor vehicle or any property rights in such motor vehicle, but the provisions of Section 56‑3‑110 are applicable with respect to the operation of such motor vehicle.

HISTORY: Former 1976 Code Section 56‑11‑230 [1962 Code Section 46‑750.123; 1974 (58) 2718] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑50 by 1987 Act No. 155, Section 9.

ARTICLE 3

Insurance Requirements Relating to Motor Vehicle Registration

**SECTION 56‑10‑210.** Definitions.

As used in this article:

(1) The term "insured motor vehicle" means a motor vehicle as to which there is maintained the security required by Section 56‑10‑20.

(2) The term "operator" means every person who drives or is in actual physical control of a motor vehicle or who is exercising control over or steering a vehicle being towed by a motor vehicle.

(3) [Deleted]

HISTORY: Former 1976 Code Section 56‑11‑710 [1962 Code Section 46‑750.145; 1974 (58) 2718] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑210 by 1987 Act No. 155, Section 9; 1993 Act No. 181, Section 1477; 1996 Act No. 459, Section 246A.

**SECTION 56‑10‑220.** Requirement that vehicle sought to be registered be insured; proof; regulations.

Every person applying for registration for a motor vehicle shall at the time of such registration and licensing declare the vehicle to be an insured motor vehicle under the penalty set forth in Section 56‑10‑260 and shall execute and furnish to the Department of Motor Vehicles his certificate that such motor vehicle is an insured motor vehicle, and that he will maintain insurance thereon during the registration period. The certificate must be in the form prescribed by the department with input from the Department of Insurance and the working group. The department may require any registered owner or any applicant for registration and licensing of a motor vehicle declared to be an insured motor vehicle to submit a certificate of insurance executed by an authorized agent or representative of an insurance company authorized to do business in this State. Such certificate must also be in a form prescribed by the department with input from the Department of Insurance and the working group. The Department of Motor Vehicles with input from the Department of Insurance and the working group may promulgate a regulation to require proof of insurance on new and renewal registrations which may be submitted on behalf of the applicant by the agent or insurer in a manner acceptable to the Department of Motor Vehicles.

HISTORY: Former 1976 Code Section 56‑11‑720 [1962 Code Section 46‑750.146; 1974 (58) 2718] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑220 by 1987 Act No. 155, Section 9; 1993 Act No. 181, Section 1478; 1996 Act No. 459, Section 222; 2004 Act No. 241, Section 3.

Code Commissioner's Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "department".

**SECTION 56‑10‑225.** Proof of insurance and financial responsibility in vehicle; penalties.

(A) A person whose application for registration and licensing of a motor vehicle has been approved by the Department of Motor Vehicles must maintain in the motor vehicle at all times proof that the motor vehicle is an insured vehicle in conformity with the laws of this State and Section 56‑10‑510.

(B) The owner of a motor vehicle must maintain proof of financial responsibility in the motor vehicle at all times, and it must be displayed upon demand of a police officer or any other person duly authorized by law. Evidence of financial responsibility may be provided by use of a mobile electronic device in a format issued by an automobile insurer. This section does not require that an automobile insurer issue verification concerning the existence of coverage it provides an insured in an electronic format. Information contained or stored in a mobile electronic device presented pursuant to this subsection is not subject to a search by a law enforcement officer except pursuant to the provisions of Section 17‑13‑140 providing for the issuance, execution, and return of a search warrant or pursuant to the express written consent of the lawful owner of the device.

(C) A person who fails to maintain the proof of insurance in his motor vehicle as required by subsection (A) is guilty of a misdemeanor and, upon conviction, is subject to the same punishment as provided by law for failure of the person driving or in control of a motor vehicle to carry the vehicle registration card and to display the registration card upon demand. However, a charge of failing to maintain proof that a motor vehicle is insured must be dismissed if the person provides proof to the court that the motor vehicle was insured on the date of the violation. Upon notice of conviction, the department shall suspend the owner's driver's license until satisfactory proof of insurance is provided. If at any time the department determines that the vehicle was without insurance coverage, the owner's registration and driving privileges will be suspended pursuant to Section 56‑10‑520.

HISTORY: 1997 Act No. 154, Section 22; 1999 Act No. 100, Part II, Section 103B; 2001 Act No. 90, Section 2; 2002 Act No. 324, Section 3; 2014 Act No. 128 (H.3623), Section 2, eff March 4, 2014.

Code Commissioner's Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "department".

Effect of Amendment

2014 Act No. 128, Section 2, in subsection (B), added text after the first sentence.

**SECTION 56‑10‑230.** Notice of termination of insurance.

Prior to the termination of insurance by cancellation or refusal to renew by the insurer notice thereof must be given as required by Sections 38‑77‑110 and 38‑77‑120.

HISTORY: Former 1976 Code Section 56‑11‑730 [1962 Code Section 46‑750.147; 1974 (58) 2718] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑230 by 1987 Act No. 155, Section 9.

**SECTION 56‑10‑240.** Requirement that upon loss of insurance, insured obtain new insurance or surrender registration and plates; written notice by insurer; suspension of registration and plates; appeal of suspension; enforcement; penalties.

(A) If, during the period for which it is licensed, a motor vehicle is or becomes an uninsured motor vehicle, then the vehicle owner immediately shall obtain insurance on the vehicle or within five days after the effective date of cancellation or expiration of his liability insurance policy surrender the motor vehicle license plate and registration certificate issued for the motor vehicle.

(B) The Department of Motor Vehicles, in its discretion, may authorize insurers to utilize alternative methods of providing notice of cancellation, refusal to renew, new policies written, and renewals to the department. The department may not reissue a registration certificate and license plate for that vehicle until satisfactory evidence has been filed by the owner or by the insurer who gave the cancellation or refusal to renew notice to the department that the vehicle is insured. Upon receiving information to the effect that a policy is canceled or otherwise terminated on a motor vehicle registered in South Carolina, the department shall suspend the owner's driving privileges, license plate, and registration certificate and shall initiate action as required within fifteen days of the notice of cancellation to pick up the license plate and registration certificate. A person who has had his driving privileges, vehicle license plate, and registration certificate suspended by the department, but who at the time of suspension possesses liability insurance coverage sufficient to meet the financial responsibility requirements as set forth in this chapter, has the right to appeal the suspension immediately to the Director of the Department of Insurance. If the Director of the Department of Insurance determines that the person has sufficient liability insurance coverage, he shall notify the department and the suspension is voided immediately. The department shall give notice by first class mail of the cancellation or suspension of driving and registration privileges to the vehicle owner at his last known address.

(C) If the vehicle owner unlawfully refuses to surrender the suspended items as required in this article, the department through its designated agents or by request to a county or municipal law enforcement agency shall take possession of the suspended license plates and registration certificates and may not reissue the registration until proper proof of liability insurance coverage is provided and until the owner has paid a reinstatement fee of two hundred dollars. A person who voluntarily surrenders his license plates and registration certificates before their suspension shall not be charged a reinstatement fee. Revenue generated by the fee imposed pursuant to this section must be placed by the Comptroller General into the State Highway Fund as established by Section 57‑11‑20, to be distributed as provided in Section 11‑43‑167.

(D) A person wilfully failing to return his motor vehicle license plates and registration certificates as required in this section is guilty of a misdemeanor and, upon conviction, must be punished as follows:

(1) for a first offense fined not less than one hundred dollars nor more than two hundred dollars or imprisoned for thirty days;

(2) for a second offense fined two hundred dollars or imprisoned for thirty days, or both;

(3) for a third and subsequent offense imprisoned for not less than forty‑ five days nor more than six months.

(E) Only convictions which occurred within ten years including and immediately preceding the date of the last conviction constitute prior convictions within the meaning of this section.

HISTORY: Former 1976 code Section 56‑11‑740 [1962 Code Section 46‑750.148; 1974 (58) 2718; Am, 1977 Act No. 80, Section 6] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑240 by 1987 Act No. 155, Section 9; Am, 1988 Act No. 532, Section 21; 1988 Act No. 671, Section 1; 1989 Act No. 148, Section 4; 1993 Act No. 181, Section 1479; 1996 Act No. 459, Section 223; 2001 Act No. 82, Section 34; 2002 Act No. 324, Section 6; 2004 Act No. 241, Section 4; 2016 Act No. 275 (S.1258), Section 78, eff July 1, 2016.

Code Commissioner's Note

2002 Act No. 324, Section 12, provides as follows:

"This act takes effect July 1, 2002; provided, however, that Section 56‑10‑650 and Sections 5, 6, and 9 are effective one hundred eighty days after the latter of certification by the department to the President Pro Tempore of the Senate and the Speaker of the House of Representatives that the program has been implemented and is fully prepared to accept data transmitted by the insurers or publication of final regulations by the department."

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "department".

Effect of Amendment

2016 Act No. 275, Section 78, amended (C), providing that all or a portion of the fees or fines collected by the department of motor vehicles shall be credited to the state highway fund.

**SECTION 56‑10‑245.** Per diem fine for lapse in required coverage.

Whenever a person furnishes proof of liability insurance, or surrenders or has his registration or license tags confiscated for failure to produce proof of insurance, after the Department of Motor Vehicles receives notice of the lapse or termination of the required liability insurance, the department shall compare the effective date of the lapse or termination with the date of the proof of insurance or the date of the confiscation or surrender. If the department determines there was a lapse in the required coverage, the department shall assess, in addition to other fines or penalties imposed by the law, a per diem fine in the amount of five dollars. The fine provided for in this section and the two hundred dollar reinstatement fee pursuant to Section 56‑10‑240 of the 1976 Code must not be assessed if the person furnishes proof, as documented by his sworn statement, that the motor vehicle upon which the coverage has lapsed or been terminated has not been operated upon the roads, streets, or highways of this State during the lapse or termination, and the lapse or termination is due to military service or illness as documented by a signed physician's statement. The total amount of the fine provided for in this section may not exceed two hundred dollars for a first offense. Revenue generated by the fine imposed pursuant to this section must be placed by the Comptroller General into the State Highway Fund as established by Section 57‑11‑20, to be distributed as provided in Section 11‑43‑167.

HISTORY: 1989 Act No. 148, Section 36; 1990 Act No. 324, Section 1; 1993 Act No. 181, Section 1480; 2016 Act No. 275 (S.1258), Section 79, eff July 1, 2016.

Code Commissioner's Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "department".

Effect of Amendment

2016 Act No. 275, Section 79, amended the section, providing that all or a portion of the fees or fines collected by the department of motor vehicles shall be credited to the state highway fund.

**SECTION 56‑10‑250.** Unlawful to sell vehicle with suspended registration to family member.

It is unlawful for any vehicle owner to sell or otherwise dispose of any motor vehicle, for which the registration and license plates have been suspended, to any member of his family residing in the same household. Any person violating the provisions of this section is guilty of a misdemeanor and, upon conviction, must be fined not less than one hundred dollars nor more than two hundred dollars or imprisoned for thirty days and, upon conviction of a second offense, be fined two hundred dollars or imprisoned for thirty days, or both, and for a third and subsequent offenses must be imprisoned for not less than forty‑five days nor more than six months. Only convictions which occurred within five years including and immediately preceding the date of the last conviction constitute prior convictions within the meaning of this section.

HISTORY: Former 1976 Code Section 56‑11‑750 [1962 Code Section 46‑750.149; 1974 (58) 2718] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑250 by 1987 Act No. 155, Section 9; Am, 1988 Act No. 532, Section 24.

**SECTION 56‑10‑260.** False certificate or false evidence of insurance; penalties; special restricted driver's licenses.

(A) Any person who knowingly makes a false certificate as to whether a motor vehicle is an insured motor vehicle or presents to the Department of Motor Vehicles false evidence that any motor vehicle sought to be registered is insured is guilty of a misdemeanor and, upon conviction, must be fined not less than one hundred dollars nor more than two hundred dollars or imprisoned for thirty days and, upon conviction of a second offense, be fined two hundred dollars or imprisoned for thirty days, or both, and for a third or subsequent offense must be imprisoned for not less than forty‑five days nor more than six months. Only convictions which occurred within five years including and immediately preceding the date of the last conviction constitute prior convictions within the meaning of this section. The department shall deny, for a period of six months, registration of any motor vehicle for which a false certificate or false evidence is presented that the vehicle is insured and shall revoke, and may not thereafter reissue for a period of six months, the driver's license of any person making a false certificate or offering false evidence, and then only when all other provisions of law have been complied with by that person.

(B)(1) If a person is employed or enrolled in a college or university at any time while his driver's license is suspended pursuant to this section, he may apply for a special restricted driver's license permitting him to drive only to and from work or his place of education and in the course of his employment or education during the period of suspension. The department may issue the special restricted driver's license only upon a showing by the person that he is employed or enrolled in a college or university, and that he lives further than one mile from his place of employment or place of education. The department may not issue the special restricted driver's license until proof of financial responsibility has been filed.

(2) If the department issues a special restricted driver's license, it shall designate reasonable restrictions on the times during which and routes on which the person may operate a motor vehicle. A change in the employment hours, place of employment, status as a student, or residence must be reported immediately to the department by the licensee.

(3) The fee for each special restricted driver's license is one hundred dollars, but no additional fee is due because of changes in the place and hours of employment, education, or residence. Of this fee, twenty dollars must be distributed to the general fund and eighty dollars must be placed by the Comptroller General into the State Highway Fund as established by Section 57‑11‑20, to be distributed as provided in Section 11‑43‑167.

(4) The operation of a motor vehicle outside the time limits and route imposed by a special restricted license by the person issued that license is a violation of Section 56‑1‑460.

HISTORY: Former 1976 Code Section 56‑11‑760 [1962 Code Section 46‑750.151; 1974 (58) 2718] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑260 by 1987 Act No. 155, Section 9; Am, 1988 Act No. 532, Section 22; 1999 Act No. 115, Section 10; 2001 Act No. 79, Section 2.K; 2016 Act No. 275 (S.1258), Section 80, eff July 1, 2016.

Code Commissioner's Note

Pursuant to the direction to the Code Commissioner in 2003 Act No. 51, Section 18, "department" was changed to "Department of Motor Vehicles" and "Division of Motor Vehicles" to "Department of Motor Vehicles" in subsection (B)(3).

Effect of Amendment

2016 Act No. 275, Section 80, amended (B)(3), providing that all or a portion of the fees or fines collected by the department of motor vehicles shall be credited to the state highway fund.

**SECTION 56‑10‑280.** Insurance not to be issued for period less than six months; contract or policy valid for at least sixty days; cancellation within sixty days.

(A) Contracts or policies of insurance issued to meet the financial responsibility requirements prescribed in this chapter must be issued for not less than six months. A contract or policy of insurance remains in effect at least sixty days notwithstanding a power of attorney which may purport to give the attorney‑in‑fact the right to effect cancellation on behalf of the insured. However, a contract or policy may be canceled within the first sixty days only under one or more of the following circumstances:

(1) a check or bank draft tendered by the insured for payment to an agent, an insurance company, or a premium finance company is returned unpaid for insufficient funds or other reason by the insured's financial institution. If the check or draft is an initial payment made by an applicant for insurance or a payment made by an insured to renew a policy, the cancellation is effective as of the policy inception or renewal date;

(2) the insured produces satisfactory proof from the Department of Motor Vehicles that he has sold or otherwise disposed of the insured vehicle or surrendered its tags and registration;

(3) the insured has secured another policy that meets the financial responsibility requirements prescribed in this chapter;

(4) the insured fails to pay when due the premium for the policy, an installment of the premium, or an installment payment under a premium service contract. The contract or policy of insurance must remain in effect for at least thirty days.

(B) This section does not prohibit refunds to the insured for cancellations after sixty days resulting from causes other than nonpayment of premium. Where an insurance company or premium finance company cancels a contract or policy pursuant to this section for nonpayment of premium under the circumstances in subsection (A) which occurs within the first sixty days, the insurance company, premium finance company, or agent may charge and collect a fifteen‑dollar penalty in addition to that otherwise provided by law, and the penalty charge is not a premium charge.

HISTORY: Former 1976 Code Section 56‑11‑780 [1962 Code Section 46‑750.154; 1974 (58) 2718] repealed by 1987 Act No. 155, Section 25, and recodified as Section 56‑10‑280 by 1987 Act No. 155, Section 9; Am, 1989 Act No. 148, Section 20; 1991 Act No. 146, Section 2; 1993 Act No. 181, Section 1481; 2001 Act No. 82, Section 35; 2006 Act No. 315, Section 1, eff August 1, 2006.

Code Commissioner's Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "department".

Effect of Amendment

The 2006 amendment, in subsection (A), added subparagraph (4) relating to nonpayment of premiums.

ARTICLE 5

Establishment of Uninsured Motorist Fund

**SECTION 56‑10‑510.** Registration of uninsured motor vehicle; fee; use of fee; certificate of insurance; penalties for failure to submit certificate of insurance.

In addition to any other fees prescribed by law, every person registering an uninsured motor vehicle, as defined in Section 56‑9‑20, at the time of registering or reregistering the uninsured vehicle, shall pay a fee of five hundred and fifty dollars. Notwithstanding any other provision of law, fifty dollars of the uninsured motor vehicle fee is nonrefundable and is directed to be paid to the South Carolina Reinsurance Facility for the recoupment of assessments or losses of the South Carolina Reinsurance Facility pursuant to Section 56‑10‑554 until otherwise ordered by the director of the Department of Insurance. However, if the uninsured motor vehicle is being registered for a period of less than a full year, the uninsured motor vehicle fee exclusive of any nonrefundable portion must be prorated to conform to the registration period. This uninsured motor vehicle fee shall be increased annually based upon and in relation to the average rate level increases for private passenger automobile insurance coverages by insurers in this State. The director of the Department of Insurance, by annual order, will set this exact fee. The application for registering an uninsured vehicle must have the following statements printed on or attached to the first page of the form, boldface, twelve point type: "THIS $550 FEE IS NOT AN INSURANCE PREMIUM AND YOU ARE NOT PURCHASING ANY INSURANCE BY PAYING THIS FEE. THIS $550 UNINSURED MOTORIST FEE IS FOR THE PRIVILEGE TO DRIVE AND OPERATE AN UNINSURED MOTOR VEHICLE ON THE SOUTH CAROLINA ROADS." This uninsured motorist notice required by this section must also be given to the person registering an uninsured motor vehicle. The director shall prescribe the exact format of this notice by regulation and shall adjust the amount of this fee annually as part of the order by the director of the Department of Insurance adjusting the uninsured motorist fee in relation to the average rate level increases for private passenger automobile insurance coverages by insurers in this State. Every person applying for registration of a motor vehicle and declaring it to be an insured motor vehicle, under the penalties set forth in Section 56‑10‑520, shall execute and furnish to the director his certificate that the motor vehicle is an insured motor vehicle as defined by the laws of this State, or that the director has issued to its owner, in accordance with Section 56‑9‑60, a certificate of self‑insurance applicable to the vehicle sought to be registered. The director, or his designee, may require any registered owner of a motor vehicle declared to be insured or any applicant for registration of a motor vehicle to be an insured to submit a certificate of insurance on a form prescribed by the director. The director must forward the certificate of insurance or bond to the insurance company or surety company, whichever is applicable, for verification as to whether the policy or bond named in the certificate is currently in force. At that time, and not later than thirty days following receipt of the certificate of insurance, the insurance company or surety company must cause to be filed with the director a written notice if the policy or bond was not applicable as to the named insured. The director must prescribe the manner in which the written notice must be made. The refusal or neglect of any owner within thirty days to submit the certificate of insurance when required by the director or his designee or the notification by the insurance company or surety company that the policy or bond named in the certificate of insurance is not in effect, must require the director to suspend any driver's license and all registration certificates and license plates issued to the owner of the motor vehicle until the person:

(1) has paid to the director of the Department of Motor Vehicles a fee of three hundred dollars to be disposed of as provided for in Sections 56‑10‑550 and 56‑10‑552 with respect to the motor vehicle determined to be uninsured; and

(2) furnishes proof of financial responsibility for the future in the manner prescribed in Section 56‑10‑10, et seq. of this chapter. An order of suspension required by this section is not effective until the director has offered the person an opportunity for a contested case hearing before the Office of Motor Vehicle Hearings to show cause why the order should not be enforced. Notice of the opportunity for hearing must be included in the order of suspension. When three years have elapsed from the effective date of the suspension required in this section, the director may relieve the person of the requirement of furnishing proof of future financial responsibility. If the director determines that the fee applicable to the registration of an uninsured motor vehicle has been paid on the vehicle in question on or before the date that the insurance certificate was requested, no suspension action must be taken. The director shall suspend the driver's license and all registration certificates and license plates of any person on receiving a record of his conviction of a violation of any provisions of Section 56‑10‑520, but the director shall dispense with the suspension when the person is convicted for a violation of Section 56‑10‑520 and the Department of Motor Vehicle's records show conclusively that the motor vehicle was insured or that the fee applicable to the registration of an uninsured motor vehicle has been paid by the owner before the date and time of the alleged offense.

HISTORY: 1997 Act No. 154, Section 2; 2008 Act No. 279, Section 10, eff October 1, 2008.

Code Commissioner's Note

Pursuant to the direction to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "Department of Public Safety" in paragraph (1).

Effect of Amendment

The 2008 amendment, in item (2), in the second sentence substituted "a contested case hearing before the Office of Motor Vehicle Hearings" for "an administrative hearing; and in the third sentence substituted "hearing must" for "an administrative hearing may".

**SECTION 56‑10‑520.** Operating or permitting operation of motor vehicle without first paying uninsured motor vehicle fee; misdemeanor violation; record of conviction for violations of this section; suspension of license, registration certificates and license plates.

A person who owns an uninsured motor vehicle:

(1) licensed in the State; or

(2) subject to registration in the State;

who operates or permits the operation of that motor vehicle without first having paid to the director the uninsured motor vehicle fee required by Section 56‑10‑510, to be disposed of as provided by Section 56‑10‑550, is guilty of a misdemeanor.

A person who is the operator of an uninsured motor vehicle and not the titled owner, who knows that the required fee has not been paid to the director, is guilty of a misdemeanor and, upon conviction, must: for a first offense be fined no less than one hundred dollars and not more than two hundred dollars or imprisoned for thirty days; for a second offense be fined two hundred dollars or imprisoned for thirty days, or both; or for a third or subsequent offense must be imprisoned for not less than forty‑five days nor more than six months. Only convictions which occurred within five years, including and immediately preceding the date of the last conviction, constitute prior convictions within the meaning of this section.

The director or his designee, having reason to believe that a motor vehicle is being operated or has been operated on any specified date, may require the owner of such motor vehicle to submit the certificate of insurance provided for by Section 56‑10‑510. The refusal or neglect of the owner who has not, before the date of operation, paid the uninsured motor vehicle fee required by Section 56‑10‑510 as to such motor vehicle, to furnish such certificate must be prima facie evidence that the motor vehicle was an uninsured motor vehicle at the time of such operation. A person who presents or causes to be presented to the director a false certificate that a motor vehicle is an insured motor vehicle or false evidence that a motor vehicle sought to be registered is an insured motor vehicle, is guilty of a misdemeanor and, upon conviction, must be fined pursuant to Section 56‑10‑260.

Abstracts of records of conviction, as defined in this title, of any violation of any of the provisions of this section must be forwarded to the director as prescribed by Section 56‑9‑330. The director shall suspend the driver's license and all registration certificates and license plates of any titled owner of an uninsured motor vehicle upon receiving notice of a violation of any provisions of this section, and the director shall not thereafter reissue the driver's license and the registration certificates and license plates issued in the name of such person until such person pays the fee applicable to the registration of an uninsured motor vehicle as prescribed in Section 56‑10‑510 and furnishes proof of future financial responsibility as prescribed by this section. Notice of such suspension shall be made in the form provided for in Section 56‑1‑465. However, when three years have elapsed from the date proof was required, the director may relieve the person of the requirement of furnishing proof of future financial responsibility. When the suspension results from a conviction for presenting or causing to be presented to the director a false certificate as to whether a motor vehicle is an insured motor vehicle or false evidence that any motor vehicle sought to be registered is insured, then the director shall not thereafter reissue the driver's license and the registration certificates and license plates issued in the name of the person so convicted for a period of one hundred eighty days from the date of the order of suspension, and only then when all other provisions of law have been complied with by the person. The director shall suspend the driver's license of any person who is the operator but not the titled owner of a motor vehicle upon receiving notice of a violation of any provisions of this section, and he shall not thereafter reissue the driver's license until thirty days from the date of the order of suspension.

HISTORY: 1997 Act No. 154, Section 2; 2002 Act No. 324, Section 4.

**SECTION 56‑10‑530.** Involvement in accident resulting in death, injury or property damage when uninsured motor vehicle fee unpaid; suspension of driver's license, license plates and registration certificates; contested case hearing.

When it appears to the director from the records of his office that an uninsured motor vehicle as defined in Section 56‑9‑20, subject to registration in the State, is involved in a reportable accident in the State resulting in death, injury, or property damage with respect to which motor vehicle the owner thereof has not paid the uninsured motor vehicle fee as prescribed in Section 56‑10‑510, the director shall, in addition to enforcing the applicable provisions of Section 56‑10‑10, et seq. of this chapter, suspend such owner's driver's license and all of his license plates and registration certificates until such person has complied with those provisions of law and has paid to the director of the Department of Motor Vehicles a reinstatement fee as provided by Section 56‑10‑510, to be disposed of as provided by Section 56‑10‑550, with respect to the motor vehicle involved in the accident and furnishes proof of future financial responsibility in the manner prescribed in Section 56‑9‑350, et seq. However, no order of suspension required by this section must become effective until the director has offered the person an opportunity for a contested case hearing before the Office of Motor Vehicle Hearings to show cause why the order should not be enforced. Notice of the opportunity for a contested case hearing must be included in the order of suspension. Notice of such suspension shall be made in the form provided for in Section 56‑1‑465. However, when three years have elapsed from the effective date of the suspension herein required, the director may relieve such person of the requirement of furnishing proof of future financial responsibility. The presentation by a person subject to the provisions of this section of a certificate of insurance, executed by an agent or representative of an insurance company qualified to do business in this State, showing that on the date and at the time of the accident the vehicle was an insured motor vehicle as herein defined or, presentation by such person of evidence that the additional fee applicable to the registration of an uninsured motor vehicle had been paid to the department before the date and time of the accident, is sufficient bar to the suspension provided for in this section.

HISTORY: 1997 Act No. 154, Section 2; 2008 Act No. 279, Section 11, eff October 1, 2008.

Effect of Amendment

The 2008 amendment in the second sentence substituted "contested case hearing before the Office of Motor Vehicle Hearings" for "an administrative hearing"; and in the third sentence substituted "a contested case hearing must" for "an administrative hearing may".

**SECTION 56‑10‑535.** Conviction of certain traffic violations; requirement of furnishing proof of financial responsibility.

The director, upon receiving notice at the time of application or at any time during participation in the fund that a titled owner of a motor vehicle has been convicted of one of the following violations: disobedience of any official traffic device; failure to stop for law enforcement officer when signaled; disobedience to any officer directing traffic; failure to stop for a school bus; leaving the scene of an accident where injury to a person or damage to property results; theft or unlawful taking of a vehicle; racing on public highways; driving under the influence of intoxicating liquor or narcotic drugs or where injury to a person of over six hundred dollars per person or damage to property of the insured or other person of over one thousand dollars results; reckless driving where injury to a person of over six hundred dollars per person or damage to property of the insured or other person of over one thousand dollars results, homicide or assault arising out of the operation of a motor vehicle; any felony involving the use of a motor vehicle; the transporting of illegal whiskey or unlawful drugs or other controlled or narcotic substances; reckless homicide; wilful making of false statements in the application for license or registration; impersonating an applicant for license or registration or procuring a license or registration through impersonation whether for himself or another; any three or more moving traffic convictions; any two or more accidents for which the owner is responsible and where injury to a person of over six hundred dollars per person or damage to property of the insured or other persons of over one thousand dollars results, or if any household driver has been licensed for less than three years; then the director shall require the owner to furnish proof of financial responsibility in the manner prescribed by the director.

However, when three years have elapsed from the effective date of any conviction for the above offenses, the director may relieve such person of the requirement of furnishing proof of future financial responsibility.

HISTORY: 1997 Act No. 154, Section 2.

**SECTION 56‑10‑540.** Other proof of financial responsibility; suspension and return of driver's license, registration, certificates, and license plates and decals.

Whenever any proof of financial responsibility filed by any person as required by this chapter no longer fulfills the purpose for which required, the director shall require other proof of financial responsibility as required by this chapter and shall suspend such person's driver's license, registration, certificates, and license plates and decals pending the furnishing of proof in a manner prescribed by the director. Notice of such suspension shall be made in the form provided for in Section 56‑1‑465.

A person whose driver's license or registration certificates, or license plates and decals have been suspended as provided in this chapter and have not been reinstated shall immediately return every such license, registration certificate, and set of license plates and decals held by him to the director. A person failing to comply with this requirement shall be guilty of a traffic infraction and, upon conviction, shall be punished as provided in Section 56‑9‑310, et seq.

HISTORY: 1997 Act No. 154, Section 2.

**SECTION 56‑10‑550.** Deposit of funds collected in Uninsured Motorists Fund.

Except as provided in Sections 56‑10‑552 and 56‑10‑554, funds collected by the director of the Department of Motor Vehicles under the provisions of this chapter must be placed on deposit with the State Treasurer and held in a special fund to be known as the "Uninsured Motorists Fund" to be disbursed as provided by law. The director of the Department of Insurance as provided in Sections 38‑77‑151 and 38‑77‑154 may expend monies from such funds for the administration of Title 38.

HISTORY: 1997 Act No. 154, Section 2.

Code Commissioner's Note

Pursuant to the direction to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "Department of Public Safety".

**SECTION 56‑10‑551.** Cancellation or termination of insurance policy certified under this chapter; notice to director.

When any insurance policy certified under this chapter is canceled or terminated, the insurer shall report the fact to the director within fifteen days after the cancellation on a form prescribed by the director.

HISTORY: 1997 Act No. 154, Section 2.

**SECTION 56‑10‑552.** Uninsured Enforcement Fund; use of reinstatement fee.

(A) For each two dollars of the yearly premium for uninsured motorist coverage paid to the Department of Motor Vehicles pursuant to Section 38‑73‑470, one dollar and twenty cents must be placed by the Comptroller General into the State Highway Fund as established by Section 57‑11‑20, to be distributed as provided in Section 11‑43‑167. The remaining eighty cents must be placed in a special fund, to be known as the "Uninsured Enforcement Fund", to be used by the Department of Public Safety for the purpose of enforcement and administration of Article 3, Chapter 10, Title 56.

(B) Fifty percent of the reinstatement fee as provided by Section 56‑10‑510(1) must be transferred by the Department of Public Safety and recorded to the Uninsured Enforcement Fund to be used by the Department of Public Safety as provided by subsection (A) of this section. The remaining fifty percent of the reinstatement fee as provided by Section 56‑10‑510 must be retained in the Uninsured Motorist Fund to be used as provided in Sections 56‑10‑550, 38‑77‑151, and 38‑77‑154.

HISTORY: 1997 Act No. 154, Section 2; 2012 Act No. 264, Section 6, eff June 18, 2012; 2016 Act No. 275 (S.1258), Section 81, eff July 1, 2016.

Effect of Amendment

The 2012 amendment substituted "Motor Vehicles" for "Public Safety" and inserted "Department of Motor Vehicles and the" in subsection (A), and made other nonsubstantive changes.

2016 Act No. 275, Section 81, amended (B), providing that all or a portion of the fees or fines collected by the department of motor vehicles shall be credited to the state highway fund.

**SECTION 56‑10‑553.** Collection data and maintenance of statistics.

The Department of Motor Vehicles must collect data and maintain statistics on the total number of vehicles registered in the State as of June thirtieth of each year, the number of motorists who voluntarily paid the five hundred fifty dollar fee at the time of registration during the fiscal year, the number of motorists who paid the penalty fee after being detected by the Department of Motor Vehicles as being uninsured during the fiscal year, the number of certificates of insurance filed during the fiscal year, the net revenue collections for these fees by the fiscal year, the net funds available in the Uninsured Motorist Fund, and the net funds received from the Department of Insurance from the uninsured motorist fee during the fiscal year.

The Department of Motor Vehicles must provide an annual report to the General Assembly and the Department of Insurance containing the information required in this section.

HISTORY: 1997 Act No. 154, Section 2; 2002 Act No. 324, Section 2.

Code Commissioner's Note

Pursuant to the direction to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "Department of Public Safety".

**SECTION 56‑10‑554.** Recoupment Fund; recoupment of facility assessments or losses; discontinuance of collection for recoupment of facilities losses.

As provided in Section 56‑10‑510, fifty dollars of the uninsured motor vehicle fee paid per vehicle is nonrefundable and must be used to recoup assessments or losses of the South Carolina Reinsurance Facility. Upon collection by the director of the Department of Motor Vehicles from any person registering an uninsured vehicle, this money must be placed by the director of the Department of Motor Vehicles on deposit with the State Treasurer to be held in a special account called the "Recoupment Fund", payable on a quarterly basis, to provide for the recoupment of facility assessments or losses. Upon final recoupment of facility losses as the South Carolina Reinsurance Facility ceases to exist, the director of the Department of Insurance shall by order (1) set the uninsured motor vehicle fee which does not include the fifty dollars dedicated for the recoupment of facility assessments or losses; (2) inform the director of the Department of Motor Vehicles that the facility assessments or losses have been recouped and when the Department of Motor Vehicles must cease collection from every person registering an uninsured motor vehicle, as well as transmittal to the State Treasurer, of this fifty dollar portion; and (3) direct the State Treasurer to transfer any used portion of the "Recoupment Fund" to the "Uninsured Motorist Fund". The director of the Department of Motor Vehicles must cease collection of this fifty dollars as part of the uninsured motor vehicle fee which has been dedicated for the recoupment of facility assessments or losses as provided in the order issued by the director of the Department of Insurance.

HISTORY: 1997 Act No. 154, Section 2.

Code Commissioner's Note

Pursuant to the direction to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "Department of Public Safety".

ARTICLE 7

Motorist Insurance Database Program

**SECTION 56‑10‑610.** Short title.

This article may be cited as the "Motorist Insurance Database Program Act".

HISTORY: 2002 Act No. 324, Section 1.

**SECTION 56‑10‑615.** Information regarding cancellations; requests for proof of insurance.

The Department of Motor Vehicles shall obtain information from insurers regarding cancellations of automobile insurance policies. The department shall request proof of insurance from persons identified by the Motorist Insurance Database. A person who fails to respond to the department must be penalized as provided in Article 5 of this chapter.

HISTORY: 2002 Act No. 324, Section 8.

Code Commissioner's Note

Pursuant to the direction to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "Motor Vehicles Division" in the first sentence and "department" for "division" in the second and third sentences.

**SECTION 56‑10‑620.** Definitions.

As used in this article, unless the context otherwise requires:

(1) "Contractor" means designated agent or the party with which the Department of Motor Vehicles contracts pursuant to Section 56‑10‑640.

(2) "Database" means the motorist insurance database described in Section 56‑10‑640.

(3) "Department" means the Department of Motor Vehicles.

(4) "Division" means the Department of Motor Vehicles.

(5) "Program" means the motorist insurance database program created in Section 56‑10‑640.

HISTORY: 2002 Act No. 324, Section 1.

Code Commissioner's Note

Pursuant to the direction to the Code Commissioner in 2003 Act No. 51, Section 18, in paragraph (3), "Motor Vehicles" was substituted for "Public Safety" and, in paragraph (4), "Department of Motor Vehicles" was substituted for "Motor Vehicles Division in the Department of Public Safety".

**SECTION 56‑10‑630.** Purpose of article.

(A) The General Assembly finds that the purpose of this article is to help reduce the uninsured motorist population in this State and to measure the effectiveness of the motorist insurance database established pursuant to this article.

(B) The General Assembly further recognizes that the information and data required to be disclosed by insurers in creating and maintaining the motorist insurance database is proprietary in nature. Accordingly, the parties handling this information and data must at all times maintain its confidential and proprietary nature.

(C) The motorist insurance database program is created for the purpose of establishing a database to use when verifying compliance with the motor vehicle financial security requirements in this chapter.

HISTORY: 2002 Act No. 324, Section 1.

**SECTION 56‑10‑640.** Requirement that upon loss of insurance, insured obtain new insurance or surrender registration and plates; written notice by insurer; suspension of driving privileges, license plate and registration; appeal; enforcement; penalties.

(A)(1) The motorist insurance database program shall be administered by the Department of Motor Vehicles. Pursuant to the South Carolina Consolidated Procurement Code, the department may contract with a contractor who may provide a system of transmitting data from insurance companies. The department must solicit and receive at least two bids on the contract before awarding the contract.

(2) The department shall convene a working group chaired by the director of the department or his designee for the purpose of facilitating the implementation of the program, assisting in development of regulations, and coordinating a testing phase, and necessary changes identified in this testing phase, as prescribed by the working group, and to issue recommendations based on periodic review of the database program by the working group. The working group shall consist of five representatives of the insurance industry appointed by the Director of the Department of Insurance. The working group shall also consist of the Director of the Department of Insurance, or his designee, the Director of the Department of Motor Vehicles, or his designee, and any contractor. The working group shall issue a report to the Department of Motor Vehicles and the Department of Insurance twelve months after the program is implemented to evaluate the program's effectiveness in identifying uninsured motorists, and annually thereafter on or before October fifteenth of each year. The working group may issue recommendations for database enhancements.

(B) The Department of Motor Vehicles shall develop, in a manner prescribed by the department, a system to allow the transmission of data from insurance companies to the department.

(C) The department, with input from the Department of Insurance, and the working group shall promulgate regulations for administering and enforcing this article. The regulations shall specify the requirements that are necessary and appropriate for commercial lines of insurance, as defined in Title 38, which shall be developed with input by the Department of Insurance.

(D) The department for a fee prescribed and promulgated by regulation shall make available to insurers by subscription a monthly electronic list of newly‑licensed drivers. This list must not be used for marketing, solicitation, or another purpose not specifically enumerated here. It may only be used to provide an additional method to reduce the uninsured motorist population. This monthly list of newly‑licensed drivers must show the: name and gender of the driver, address, date of birth, South Carolina driver's license number, and, if available, insurance information provided in the liability certification portion of the application for a driver's license. This information may be used for:

(1) determining if a newly‑licensed driver is insured;

(2) assigning a newly‑licensed driver to the proper automobile insurance policy for rating purposes; and

(3) ordering a motor vehicle report on a newly‑licensed driver.

HISTORY: 2002 Act No. 324, Section 1; 2004 Act No. 241, Section 5.

Code Commissioner's Note

Pursuant to the direction to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "Motor Vehicle Division" and "department" for "division" in subsections (A) and (B).

**SECTION 56‑10‑650.** Suspension of owner's driving privileges and license plates of uninsured motor vehicle; notification of owner; proof of insurance.

(A) If the database indicates that a motor vehicle is not insured or if the Department of Motor Vehicles receives notification as prescribed by regulation that a vehicle may not be insured, the department shall notify the owner of the motor vehicle that he has twenty working days to provide the department with one of the following, or the owner's driving privileges and the vehicle license plates will be suspended:

(1) proof of complying coverage in accordance with Sections 56‑10‑10 or 56‑10‑220, or of self‑insurance in accordance with Section 56‑9‑60; or

(2) proof of exemption from the financial security requirements.

(B) Verification in a manner prescribed by regulation from an insurer or agent verifying that the person had the required motor vehicle insurance coverage on the date specified is considered proof of financial responsibility for purposes of this section.

HISTORY: 2002 Act No. 324, Section 1; 2004 Act No. 241, Section 6.

Code Commissioner's Note

2002 Act No. 324, Section 12, provides as follows:

"This act takes effect July 1, 2002; provided, however, that Section 56‑10‑650 and Sections 5, 6, and 9 are effective one hundred eighty days after the latter of certification by the department to the President Pro Tempore of the Senate and the Speaker of the House of Representatives that the program has been implemented and is fully prepared to accept data transmitted by the insurers or publication of final regulations by the department."

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" was substituted for "department" and "department" for "division" in subsection (A).

**SECTION 56‑10‑660.** Database information disclosure; fee.

(A) The division, for a fee as prescribed and promulgated by regulation, shall disclose an individual's reported database information upon request by the following individuals and agencies only:

(1) the individual;

(2) the parent or legal guardian of an individual who is an unemancipated minor;

(3) the legal guardian of an individual who is legally incapacitated;

(4) a person who has power of attorney from the individual;

(5) a person who submits a notarized release from the individual that is dated no more than ninety days before the date the request is made;

(6) a person suffering loss or injury or against whom a claim is made for loss or injury in a motor vehicle accident in which the individual is involved, but only as part of an accident report authorized in Section 56‑9‑351;

(7) a state or local government agency investigating, litigating, or enforcing the person's compliance with the financial security requirements; or

(8) persons regulated under Title 38 of the 1976 Code for the purposes of paying or adjudicating claims and preventing fraud or abuse.

(B) The funds collected from this fee described by subsection (A) must be placed by the Comptroller General into a special restricted account to be used by the Department of Motor Vehicles to defray its expenses.

(C) The State is not liable to any person for gathering, managing, or using information in the database pursuant to this article.

(D) No insurer is liable to any person for performing its duties under this article unless, and to the extent, the insurer commits a wilful and wanton act or omission.

(E) Insurers shall be required to pay only those actual costs attributed to the transmission to or retrieval of their records from the Department of Motor Vehicles, pursuant to regulations promulgated by the Department of Insurance. The funds collected from the insurers pursuant to this subsection must be placed by the Comptroller General into a special restricted account to be used by the Department of Motor Vehicles to defray its expenses.

HISTORY: 2002 Act No. 324, Section 1; 2005 Act No. 164, Section 30, eff June 10, 2005.

Code Commissioner's Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, "Department of Motor Vehicles" or "department" was substituted for "division" and "department".

Effect of Amendment

The 2005 amendment, in subsection (A), deleted paragraph (7) relating to audits by the office of the state auditor and redesignated paragraphs (8) and (9) as paragraphs (7) and (8).

**SECTION 56‑10‑670.** Scope of article.

This article shall not supersede other actions or penalties that may be taken or imposed for violation of the financial security requirements of this chapter.

HISTORY: 2002 Act No. 324, Section 1.