

## Session 107 - (1987-1988)

### **S\*0593 (Rat #0235, Act #0166 of 1987) General Bill, By Senate Banking and Insurance**

#### ***Similar (H 2953)***

A Bill to amend Section 38-37-110, Code of Laws of South Carolina, 1976, relating to the declaration of purpose for the regulation of automobile insurance in South Carolina, so as to further provide for this declaration of purpose; to direct the Chief Insurance Commissioner to review the current system of classifying and rating youthful operators for automobile insurance, and to promulgate regulations making necessary changes thereto not later than February 1, 1988; to amend Section 38-37-930, relating to affiliated insurers, so as to revise the provisions of the Section to establish those conditions under which applicants or policyholders qualify for the base rate or the higher objective standards rate and to regulate what rates may be utilized by member companies of an affiliated group of automobile insurers; to amend Section 56-11-140, relating to coverage limitations, so as to delete certain references to collision and comprehensive coverages; to amend Article 5, Chapter 37, of Title 38, relating to risk classification plans and required insurance, by adding Section 38-37-315 so as to provide that no insurer is required to write insurance for any applicant who does not have a valid South Carolina driver's license and to provide exceptions; to amend Article 9, Chapter 37, of Title 38, relating to the South Carolina Reinsurance Facility, by adding Sections 38-37-785, 38-37-795, 38-37-800, and 38-37-810 so as to require every automobile insurer and rating organization to file with the Chief Insurance Commission prior to October 1, 1987, a base rate and an objective standards rate, and to provide that those rates are effective July 1, 1988, under certain conditions; to provide for a facility recoupment charge on certain base rates, provide the formula for its annual calculation, and provide for the classification and use of recoupment charges; to amend Article 11, Chapter 37, of Title 38, relating to unlawful acts for purposes of automobile insurance, by adding Section 38-37-935 so as to provide for the writing of collision and comprehensive coverage, deductible amounts, circumstances where an insurer may refuse to write such coverage, terms of sale, and cession to the Reinsurance Facility; to require the Chief Insurance Commissioner to promulgate regulations which require each insurer licensed to write property and casualty insurance in this State, to submit certain information and supplemental reports relating to its writings in this State and the United States; to provide for, among other things, the form, coverage, and contents of the supplemental report; to require the Chief Insurance Commissioner annually to compile and review all these reports submitted; to provide that the information submitted must be published and made available to interested insureds or citizens, and to provide civil penalties for insurers who fail to comply with the provisions pertaining to these reports; to provide that, when dealing with the agents of a company who are licensed to sell automobile insurance, the company may not use any of the business placed in the Facility in determining the profitability of that agent's business and that the company shall not ask any agent not to write any kind of automobile business or hold the facility business against any agent in any manner which could be construed as being detrimental to the agent; to amend Section 56-11-190, relating to registration of motor vehicles and the maintenance of required security, so as to further provide for the information furnished to the Executive Director of the Department of Highways and Public Transportation regarding this security; to amend Section 56-11-250, relating to agreements to exclude designated natural persons from coverage, so as to make certain provisions therein mandatory between the insurer and any named insured; to amend Section 56-9-810, relating to definitions for purposes of the Financial Responsibility Act, so as to provide for the definition of an "underinsured motor vehicle"; to amend Section 56-9-831, relating to additional uninsured motorist coverage, so as to delete restrictions on adding coverage on other vehicles and to provide that benefits paid pursuant to this Section are not subject to subrogation and assignment; to amend Section 38-37-950, relating to unreasonable use of the Reinsurance Facility by insurers, so as to revise certain provisions which establish a prima facie case of unreasonable use; to amend Chapter 1 of Title 38, relating to insurance, by adding Section 38-1-140 so as to provide that the Chief Insurance Commissioner may order rates of individual insurers to be revised and excessive benefits rebated under certain conditions; to amend Section 56-9-850, relating to conditions to sue or recover under the uninsured motorist provision, so as to further provide for these conditions; to amend Article 5, Chapter 37 of Title 38, relating to risk classification plans and required insurance, by adding Section 38-37-325 so as to permit the Chief Insurance Commissioner to promulgate plans to afford credits or discounts to certain automobile insureds; to amend Section 56-11-110, relating to minimum medical, hospital, and disability benefits, proof of loss of income and subrogation or assignment of benefits under the Automobile Reparation Reform Act of 1974, so as to permit assignments to hospitals, physicians, or other medical providers but that no such provider may require the assignment as a condition of treatment; to amend Section 38-37-150, relating to the survey by the Chief Insurance Commissioner to ascertain the state of marketing outlets with respect to automobile insurance and the requirements for qualification as a designated agent, so as to change these requirements for qualifying as a designated agent; to provide that the governing body of the Reinsurance Facility may for a period of three years designate certain applicants to write property and casualty insurance; to amend Article 1, Chapter 9, Title 38, relating to the conduct of insurance business by adding Section 38-9-375 so as to require property or casualty insurance companies transacting business in this State to maintain at

least one resident adjuster for the purpose of investigation and settlement of claims, and to provide that failure to so maintain this adjuster is grounds for revocation of the company's authorization to do business in this State; to amend Section 38-37-940, relating to the regulation of automobile insurance, the avoidance of certain classes or types of risk, exceptions, and cancelling an agent's representation, so as to make it an act of unlawful discrimination and unfair competition for an insurer to do certain additional acts, to increase the period of revocation or suspension of the insurer's certificate of authority as a penalty for these and certain other unlawful, wilful acts, from six to twelve months, and to prohibit insurers from using business placed in the Reinsurance Facility when determining quality bonus; to amend Article 7, Chapter 9, of Title 38, relating to cancellation and nonrenewal of property and casualty insurance, by adding Section 38-9-890 so as to provide that no insurer may nonrenew a policy of homeowners insurance because the insured has filed a claim with that insurer for damages resulting from an act of God; and to amend Article 5, Chapter 37, of Title 38, relating to risk classification plans and required insurance, by adding Section 38-37-315 so as to require authorized agents for certain insurers to place signs in their office or place of business containing certain specified language.-amended title

<b>03/31/87</b>	<b>Senate</b>	<b>Introduced, read first time, placed on calendar without reference SJ-1079</b>
<b>04/01/87</b>	<b>Senate</b>	<b>Special order SJ-1131</b>
<b>04/07/87</b>	<b>Senate</b>	<b>Read second time SJ-1186</b>
<b>04/07/87</b>	<b>Senate</b>	<b>Ordered to third reading with notice of amendments SJ-1187</b>
<b>04/08/87</b>	<b>Senate</b>	<b>Amended SJ-1215</b>
<b>04/08/87</b>	<b>Senate</b>	<b>Special order SJ-1230</b>
<b>04/14/87</b>	<b>Senate</b>	<b>Amended SJ-1301</b>
<b>04/14/87</b>	<b>Senate</b>	<b>Read third time and sent to House SJ-1303</b>
<b>04/15/87</b>	<b>House</b>	<b>Introduced and read first time HJ-1873</b>
<b>04/15/87</b>	<b>House</b>	<b>Referred to Committee on Labor, Commerce and Industry HJ-1875</b>
<b>05/13/87</b>	<b>House</b>	<b>Committee report: Favorable Labor, Commerce and Industry HJ-2640</b>
<b>05/20/87</b>	<b>House</b>	<b>Objection by Rep. Toal, J Rogers &amp; Haskins HJ-3003</b>
<b>05/21/87</b>	<b>House</b>	<b>Special order, set for Tues. 5/26/87 follow Sen. amends on cal. (Under H 3173) HJ-3089</b>
<b>05/26/87</b>	<b>House</b>	<b>Amended HJ-3189</b>
<b>05/26/87</b>	<b>House</b>	<b>Debate interrupted HJ-3222</b>
<b>05/27/87</b>	<b>House</b>	<b>Amended HJ-3269</b>
<b>05/27/87</b>	<b>House</b>	<b>Read second time HJ-3290</b>
<b>05/28/87</b>	<b>House</b>	<b>Objection withdrawn by Rep. Haskins HJ-3337</b>
<b>05/28/87</b>	<b>House</b>	<b>Read third time HJ-3350</b>
<b>05/28/87</b>	<b>House</b>	<b>Returned HJ-3351</b>
<b>05/28/87</b>	<b>Senate</b>	<b>Non-concurrence in House amendment SJ-2441</b>
<b>06/01/87</b>	<b>House</b>	<b>House insists upon amendment and conference committee appointed Reps. Wilkins, R. Brown &amp; J. Bradley HJ-3390</b>
<b>06/02/87</b>	<b>Senate</b>	<b>Conference committee appointed Sens. McConnell, Fielding and Saleeby SJ-2507</b>
<b>06/03/87</b>	<b>House</b>	<b>Free conference powers granted HJ-3538</b>
<b>06/03/87</b>	<b>House</b>	<b>Free conference committee appointed Wilkins, R. Brown &amp; J. Bradley HJ-3540</b>
<b>06/03/87</b>	<b>House</b>	<b>Free conference report received HJ-3586</b>
<b>06/03/87</b>	<b>House</b>	<b>Free conference report adopted HJ-3616</b>
<b>06/03/87</b>	<b>Senate</b>	<b>Free conference powers granted SJ-2575</b>
<b>06/03/87</b>	<b>Senate</b>	<b>Free conference committee appointed Sens. Saleeby, McConnell, Fielding SJ-2575</b>
<b>06/03/87</b>	<b>Senate</b>	<b>Free conference report received SJ-2696</b>
<b>06/03/87</b>	<b>Senate</b>	<b>Free conference report adopted SJ-2726</b>
<b>06/03/87</b>	<b>Senate</b>	<b>Ordered enrolled for ratification SJ-2727</b>
<b>06/04/87</b>		<b>Ratified R 235</b>
<b>06/04/87</b>		<b>Signed By Governor</b>
<b>06/04/87</b>		<b>Effective date 06/04/87</b>
<b>06/04/87</b>		<b>See Act for explanation of effective date</b>
<b>06/04/87</b>		<b>Act No. 166</b>
<b>06/17/87</b>		<b>Copies available</b>