Agency Name: Department of Insurance

Statutory Authority: 1-23-110 et seq., 38-3-110 et seq., and 38-49-20 et seq.

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House Committee: Regulations and Administrative Procedures Committee

Senate Committee: Banking and Insurance Committee

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Subject: Adjustment of Claims Under Unusual Circumstances

History: 4803

By Date Action Description Jt. Res. No. Expiration Date

- 11/24/2017 Proposed Reg Published in SR

- 01/09/2018 Received by Lt. Gov & Speaker 05/09/2018

H 01/09/2018 Referred to Committee

S 01/09/2018 Referred to Committee

H 04/17/2018 Resolution Introduced to Approve 5246

- 05/09/2018 Approved by: Expiration Date

- 05/25/2018 Effective Date unless otherwise

provided for in the Regulation

Document No. 4803

**Department of Insurance**

Chapter 69

Statutory Authority: 1976 Code Sections 1-23-110 et seq., 38-3-110 et seq., and 38-49-20 et seq.

69-1. Adjustment of Claims Under Unusual Circumstances.

**Synopsis:**

The Department is proposing to make changes to Regulation 69‑1 to add the temporary licensure of motor vehicle physical damage appraisers in the event of a catastrophe where there are insufficient motor vehicle physical damage appraisers. In its current form, the regulation is limited to the temporary licensure of non‑resident adjusters in the event of a catastrophe.

Notice of Drafting was published in the *State Register* on October 27, 2017.

**Instructions:**

Replace Regulation as shown below. All other items and sections remain unchanged.

**Text:**

69-1. Adjustment of Claims Under Unusual Circumstances.

(Statutory Authority: 1976 Code Sections 1-23-110 et seq., 38-3-110 et seq., and 38-49-20 et seq.)

1. Licensed Adjusters or motor vehicle physical damage appraisers in South Carolina are authorized to adjust claims or appraise automobiles under the physical damage insurance coverage for unlicensed companies under the following circumstances:

(a) Where the insured has an accident in South Carolina but is not a resident, being in a status of a transient.

(b) Where the insured is a new resident in the State and has an unexpired policy of an unlicensed company purchased before he moved into the State.

2. The law provides the conditions under which a Non-Resident Adjuster or motor vehicle physical damage appraiser may be licensed. In the event of a catastrophe where there are insufficient Licensed Adjusters or motor vehicle physical damage appraisers in South Carolina to handle claims expeditiously, Non-Resident Adjusters or motor vehicle physical damage appraisers will be permitted to enter the State to handle the adjustments arising out of the catastrophe without being required to be licensed in South Carolina, provided that the Adjuster or motor vehicle physical damage appraiser exhibits evidence of an Adjuster's or motor vehicle physical damage appraiser’s License in his home state and remains in the State only for the period that is necessary to assist in the adjustments or appraisals.

3. An unusual circumstance or catastrophe exists when, due to a specific, infrequent, and sudden natural or manmade disaster or phenomenon, there have arisen losses to property in South Carolina that are covered by insurance, and the losses are so numerous and severe that resolution of claims related to such covered property losses will not occur expeditiously without the authorization of emergency adjusters or motor vehicle physical damage appraisers by the Department due to the magnitude of the catastrophic damage.

4. The Department will determine and announce when an emergency or catastrophe exists and also will determine and announce the expiration of the period of emergency or catastrophe.

**Fiscal Impact Statement:**

No additional state funding is requested. The Department estimates that no additional costs will be incurred by the state in complying with the proposed amendments to 69-1.

**Statement of Rationale:**

The Department is proposing to make changes to Regulation 69-1 to add the temporary licensure of motor vehicle physical damage appraisers in the event of a catastrophe where there are insufficient motor vehicle physical damage appraisers. In its current form, the regulation is limited to the temporary licensure of non-resident adjusters in the event of a catastrophe.