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COMMITTEE REPORT

March 20, 2013

**S. 464**

Introduced by Senator Hayes

S. Printed 3/20/13--S.

Read the first time February 28, 2013.

**THE COMMITTEE ON BANKING AND INSURANCE**

To whom was referred a Bill (S. 464) to amend Section 38‑77‑150, Code of Laws of South Carolina, 1976, relating to the mandatory uninsured motorist provision for automobile insurance policies, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by deleting all after the enacting words and inserting:

/ SECTION 1. Section 38‑7‑150(A) of the 1976 Code is amended to read:

“(A) No automobile insurance policy or contract may be issued or delivered unless it contains a provision by endorsement or otherwise, herein referred to as the uninsured motorist provision, undertaking to pay the insured all sums which he is legally entitled to recover as damages from the owner or operator of an uninsured motor vehicle, within limits which may be no less than the requirements of Section 38‑77‑140. The uninsured motorist provision must also provide for no less than ~~ten~~ twenty‑five thousand dollars’ coverage for injury to or destruction of the property of the insured in any one accident but may provide an exclusion of the first two hundred dollars of the loss or damage. The director or his designee may prescribe the form to be used in providing uninsured motorist coverage and when prescribed and promulgated no other form may be used.”

SECTION 2. Section 56‑9‑20(11) of the 1976 Code, as last amended by Act 73 of 2003, is further amended to read:

“(11) "Proof of financial responsibility": Proof of ability to respond to damages for liability, as provided in Section 38‑77‑150, or, on account of accidents occurring after the effective date of this proof, arising out of the ownership, maintenance, or use of a motor vehicle in the amount of ~~fifteen~~ twenty‑five thousand dollars because of bodily injury to or death of one person in any one accident and, subject to this limit for one person, in the amount of ~~thirty~~ fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident and in the amount of ~~ten~~ twenty‑five thousand dollars because of injury to or destruction of property of others in any one accident;”

SECTION 3. Section 56‑9‑353 of the 1976 Code is amended to read:

“Section 56‑9‑353. No policy or bond shall be effective under Sections 56‑9‑351 and 56‑9‑352 unless issued by an insurance company or surety company licensed and authorized by the South Carolina Department of Insurance to do business in this State, except that if the motor vehicle was not registered in this State or was a motor vehicle which was registered elsewhere than in this State at the effective date of the policy or bond or the most recent renewal thereof, the policy or bond shall not be effective under Sections 56‑9‑351 and 56‑9‑352 unless the insurance company or surety company if not authorized to do business in this State shall execute a power of attorney authorizing the Department of Motor Vehicles to accept service on its behalf of notice of process in any action upon the policy or bond arising out of the accident. Every policy or bond must be subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than ~~fifteen~~ twenty‑five thousand dollars because of bodily injury to or death of one person in any one accident, and subject to this limit for one person, to a limit of not less than ~~thirty~~ fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than ~~five~~ twenty‑five thousand dollars because of injury to or destruction of property of others in any one accident.”

SECTION 4. Section 56‑9‑480 of the 1976 Code is amended to read:

“Section 56‑9‑480. Judgments referred to in this article must, for the purpose of this article only, be considered satisfied:

(1) When ~~fifteen~~ twenty‑five thousand dollars has been credited upon any judgment rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident;

(2) When, subject to the limit of ~~fifteen~~ twenty‑five thousand dollars because of bodily injury to or death of one person, the sum of ~~thirty~~ fifty thousand dollars has been credited upon any judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident; or

(3) When ~~five~~ twenty‑five thousand dollars has been credited upon any judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

Payments made in settlement of any claims because of bodily injury, death, or property damage arising from a motor vehicle accident must be credited in reduction of the amounts provided for in this section.”

SECTION 5. An automobile liability insurer is not required to make a new offer of coverage or obtain a new prescribed form on any automobile insurance policy, within the contemplation of Section 38‑77‑350, to comply with statutory changes to the minimum required limits set forth in Section 38‑77‑140 and Section 38‑77‑150.

SECTION 6. This act takes effect January 1, 2014, and applies to all policies of automobile insurance issued or renewed on or after the effective date of this act. /

Renumber sections to conform.

Amend title to conform.

ROBERT W. HAYES, JR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

The Department of Insurance estimates this bill will have no fiscal impact on the state general fund or on federal and/or other funds.

*Approved By:*

Brenda Hart

Office of State Budget

**A** **BILL**

TO AMEND SECTION 38‑77‑150, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE MANDATORY UNINSURED MOTORIST PROVISION FOR AUTOMOBILE INSURANCE POLICIES, SO AS TO INCREASE THE MINIMUM COVERAGE TO TWENTY‑FIVE THOUSAND DOLLARS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 38‑7‑150(A) of the 1976 Code is amended to read:

“(A) No automobile insurance policy or contract may be issued or delivered unless it contains a provision by endorsement or otherwise, herein referred to as the uninsured motorist provision, undertaking to pay the insured all sums which he is legally entitled to recover as damages from the owner or operator of an uninsured motor vehicle, within limits which may be no less than the requirements of Section 38‑77‑140. The uninsured motorist provision must also provide for no less than ~~ten~~ twenty‑five thousand dollars’ coverage for injury to or destruction of the property of the insured in any one accident but may provide an exclusion of the first two hundred dollars of the loss or damage. The director or his designee may prescribe the form to be used in providing uninsured motorist coverage and when prescribed and promulgated no other form may be used.”

SECTION 2. This act takes effect upon approval by the Governor.

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