**South Carolina General Assembly**

125th Session, 2023-2024

**H. 5148**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. White

Companion/Similar bill(s): 3947

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Introduced in the House on February 27, 2024

Currently residing in the House Committee on **Labor, Commerce and Industry**

Summary: Automobile Insurance

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/27/2024 House Introduced and read first time ([House Journal‑page 28](h:\hj\20240227.docx))

2/27/2024 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 28](h:\hj\20240227.docx))

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=5148&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[02/27/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/5148_20240227.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 38‑77‑410 SO AS TO PROVIDE THAT AN INSURANCE POLICY THAT COVERS A PERSON OPERATING A RENTED OR LEASED VEHICLE SHALL BE PRIMARY TO A MOTOR VEHICLE INSURANCE POLICY; BY ADDING SECTION 38‑77‑420 SO AS TO REQUIRE INSURERS TO PAY SALES TAX FOR AUTOMOBILE PAINT WHEN REQUIRED TO PROVIDE CAR PAINTING SERVICES; AND BY ADDING SECTIONS 38‑77‑430, 38‑77‑440, 38‑77‑450, 38‑77‑460 AND 38‑77‑470 ALL SO AS TO ESTABLISH A PROCEDURE TO RESOLVE A DISPUTE BETWEEN AN INSURER AND AN INSURED AS TO THE AMOUNT OF LOSS OF A VEHICLE.

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

SECTION 1. Article 3, Chapter 77, Title 38 of the S.C. Code is amended by adding:

Section 38‑77‑410. (A) An insurance policy that covers a person operating a rented or leased vehicle, regardless of the limitations or exclusions in the operator’s policy, shall be primary to:

(1) a motor vehicle insurance policy in which the named insured is a rental company or affiliate of the rental company;

(2) a qualified self‑insurer, as defined in Section 56‑9‑60, a rental company, or an affiliate of the rental company; and

(3) a bond posted by a rental company or an affiliate of the rental company for the purpose of complying with financial responsibility.

(B) The limits of the primary policy must be exhausted before there may be a recovery under a policy issued to or against other financial responsibility maintained by a rental company.

Section 38‑77‑420. When automobile repairs undertaken pursuant to an automobile insurance policy require the use of automobile paint, the insurer must pay the state sales tax on automobile paint.

Section 38‑77‑430. Notwithstanding another provision of law, all new automobile insurance policies issued in this State must include an appraisal procedure that complies with this article. At the time of renewal of an existing automobile insurance policy, the insurer must include an appraisal policy that complies with this article.

Section 38‑77‑440. If the insurer or named insured do not agree on the amount of loss, either may demand an appraisal of the loss not later than ninety days after the date the proof of loss is filed with the insurer. Each party must select a competent appraiser and notify the other party of that appraiser’s contact information not later than fifteen days after the demand for appraisal. Each appraiser must report the actual cash value of the automobile and the amount of loss. If the appraisers fail to agree on the amount of loss, the appraisers must select a qualified third party to mediate the matter. The appraisers and mediator shall determine the amount of loss and a decision by any two of the three parties will be binding.

Section 38‑77‑450. If the two appraisers are unable to select a third-party mediator within fifteen days of the request for a third-party mediator, the insurer or the named insured may request that a court in the county in which the named insured resides may select the third-party mediator.

Section 38‑77‑460. Each party is responsible for his appraiser’s fees and expenses. If the prevailing amount of loss is more than one dollar greater than the amount of the insurer’s proposed loss statement, the insurer must refund the named insured’s reasonable out of pocket expenses for the insured’s appraiser’s fees and expenses. If the insurer’s proposed loss statement is determined to be fair, the named insured must refund the insurer the insurer’s appraiser’s fees and expenses.

Section 38‑77‑470. An insurer and named insured do not waive any rights under the policy that is the subject of the appraisal by demanding an appraisal.

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

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