DISCLAIMER

The South Carolina Legislative Council is offering access to the unannotated South Carolina Code of Laws on the Internet as a service to the public. The unannotated South Carolina Code on the General Assembly's website is now current through the 2014 session. The unannotated South Carolina Code, consisting only of Code text, numbering, and history may be copied from this website at the reader's expense and effort without need for permission.

The Legislative Council is unable to assist users of this service with legal questions. Also, legislative staff cannot respond to requests for legal advice or the application of the law to specific facts. Therefore, to understand and protect your legal rights, you should consult your own private lawyer regarding all legal questions.

While every effort was made to ensure the accuracy and completeness of the unannotated South Carolina Code available on the South Carolina General Assembly's website, the unannotated South Carolina Code is not official, and the state agencies preparing this website and the General Assembly are not responsible for any errors or omissions which may occur in these files. Only the current published volumes of the South Carolina Code of Laws Annotated and any pertinent acts and joint resolutions contain the official version.

Please note that the Legislative Council is not able to respond to individual inquiries regarding research or the features, format, or use of this website. However, you may notify the Legislative Services Agency at [LSA@scstatehouse.gov](mailto:LPITS@scstatehouse.net) regarding any apparent errors or omissions in content of Code sections on this website, in which case LSA will relay the information to appropriate staff members of the South Carolina Legislative Council for investigation.

CHAPTER 7

Insurance on Public Buildings and Property

**SECTION 10‑7‑10.** Insurance on state public buildings, state‑supported institutions, and Department of Transportation buildings.

All insurance on public buildings and on the contents thereof of the State and of all institutions supported in whole or in part by the State shall be carried by the State Budget and Control Board. Any building or buildings, and the contents thereof, owned by the Department of Transportation may be insured by the State Budget and Control Board, with the consent or approval of such board, or the Department of Transportation shall have the alternative of assuming its own risks.

HISTORY: 1962 Code Section 1‑431; 1952 Code Section 1‑431; 1942 Code Section 2180; 1936 (39) 1668; 1950 (46) 3605; 1956 (49) 1751; 1963 (53) 275; 1974 (58) 2217; 1993 Act No. 181, Section 85.

**SECTION 10‑7‑20.** Insurance on public buildings of incorporated municipalities.

The State Budget and Control Board is authorized to insure public buildings owned by incorporated municipalities of the State upon request of the governing body of the municipality. Such insurance shall be provided under the same conditions and procedures and subject to the same restrictions as are provided under this chapter for insurance of buildings owned by the counties of this State except that insurance by the board shall not be mandatory for municipally owned buildings.

HISTORY: 1962 Code Section 1‑431.1; 1973 (58) 222.

**SECTION 10‑7‑30.** Insurance on public buildings of counties.

All insurance on public buildings and the contents thereof of the several counties shall be carried by the State Budget and Control Board.

HISTORY: 1962 Code Section 1‑432; 1952 Code Section 1‑432; 1942 Code Section 2181; 1936 (39) 1668; 1950 (46) 3605.

**SECTION 10‑7‑40.** Insurance on public school buildings.

All insurance of public school buildings and on the contents thereof, whether such buildings are held and operated under the general school laws or laws applicable to special school districts only, shall be carried by the State Budget and Control Board.

HISTORY: 1962 Code Section 1‑433; 1952 Code Section 1‑433; 1942 Code Section 2182; 1936 (39) 1668; 1950 (46) 1985, 3605.

**SECTION 10‑7‑50.** Cancellation or reduction of insurance on abandoned school buildings.

If any school building be abandoned for use for school purposes, the board may cancel or reduce all insurance carried by it on such abandoned school building and its contents, and the board shall not be required to renew existing insurance or write any insurance on any such building and its contents, the use of which for school purposes has been discontinued; provided, that at least ten days before the cancellation or reduction of any such insurance the board shall give notice to the proper authorities that such cancellation or reduction is to be made.

HISTORY: 1962 Code Section 1‑434; 1952 Code Section 1‑434; 1942 Code Section 2182; 1936 (39) 1668.

**SECTION 10‑7‑60.** Cancellation in case of dilapidation and depreciation.

The State Budget and Control Board may cancel any policy of insurance on any public building when in its judgment such building is no longer an insurable risk because of dilapidation and depreciation; provided, that at least ten days before any such cancellation the board shall give notice to the proper authorities that such cancellation is to be made.

HISTORY: 1962 Code Section 1‑435; 1952 Code Section 1‑435; 1942 Code Section 2182; 1936 (39) 1668.

**SECTION 10‑7‑70.** Officials in charge of buildings shall provide for insurance.

The proper officer, official or trustee having by law the care and custody of state and county buildings and of public school buildings shall insure such buildings under the provisions set forth in this chapter.

HISTORY: 1962 Code Section 1‑436; 1952 Code Section 1‑436; 1942 Code Section 2183; 1936 (39) 1668.

**SECTION 10‑7‑80.** Officials shall furnish information on school buildings.

The State Superintendent of Education and the county superintendents of education of the several counties of the State shall furnish to the State Budget and Control Board on request a complete list showing the location of each and every school building in their several counties, the numbers of the school districts in which such buildings are located and the names and addresses of the trustees having the buildings in charge.

All officers, officials and trustees having the care and custody of the buildings insured under the terms of this chapter shall furnish to the board, on request, full information in regard to the character of construction, value, location and exposures of such buildings and any other information requested.

HISTORY: 1962 Code Section 1‑437; 1952 Code Section 1‑437; 1942 Code Section 2189; 1936 (39) 1668; 1950 (46) 3605.

**SECTION 10‑7‑90.** Premium rate.

All insurance carried by the State Budget and Control Board as provided for in this chapter shall be carried at a premium rate to be determined by the board not in excess of the rate which, in the opinion of the board, would be charged by reliable old line insurance companies for carrying this insurance.

HISTORY: 1962 Code Section 1‑438; 1952 Code Section 1‑438; 1942 Code Section 2184; 1936 (39) 1668.

**SECTION 10‑7‑100.** Payment of premiums.

The premium on all policies of insurance issued by the State Budget and Control Board shall be paid by the officer, official, or trustee having the property insured under his care and custody upon demand of the board. If an agency or political subdivision fails to pay any required premium within sixty days from the date the premium is invoiced, the State Budget and Control Board may cancel the policy for nonpayment of premium by mailing a notice of cancellation giving not less than thirty days’ notice of the cancellation to the delinquent agency or political subdivision. Prior to the termination of the insurance coverage, notice of the impending termination also must be published in a newspaper of regular circulation in the county where the insured’s headquarters is located. The State Budget and Control Board is not responsible for risk or loss occurring after the effective date of the cancellation.

HISTORY: 1962 Code Section 1‑439; 1952 Code Section 1‑439; 1942 Code Section 2185; 1936 (39) 1668; 1950 (46) 3605; 1996 Act No. 314, Section 1.

**SECTION 10‑7‑120.** Board may reinsure.

The State Budget and Control Board may reinsure, upon terms which it may deem most advantageous, in a reliable insurance company or companies, such portion of their insurance liability as is commensurate with the principle of safe underwriting. The board shall from time to time prescribe such rules and regulations as may be necessary in placing and handling this reinsurance.

HISTORY: 1962 Code Section 1‑441; 1950 Code Section 1‑441; 1942 Code Section 2186; 1936 (39) 1668; 1950 (46) 3605.

**SECTION 10‑7‑130.** Insurance reserve funds.

All funds paid over to the State Budget and Control Board as premiums on policies of insurance and all money received from interest on loans and deposits and from any other source connected with the insurance of public property, provided for herein, shall be held by the board as insurance reserve funds for the purpose of paying all losses for which it is liable and the expenses necessary to the proper conduct of such insurance of public property by the board and shall be invested by it as are other funds in its hands.

HISTORY: 1962 Code Section 1‑442; 1952 Code Section 1‑442; 1942 Code Section 2187; 1936 (39) 1668; 1950 (46) 3605; 1965 (54) 590; 1976 Act No. 583.

**SECTION 10‑7‑140.** Reduction of premiums.

When the insurance reserve fund provided for in Section 10‑7‑130 reaches the sum of five per cent of the total insurance in force, then annually thereafter the State Budget and Control Board shall proportionately decrease the premium of insurance to an amount which will be sufficient to maintain the insurance fund at five per cent of the total insurance in force, and if in the judgment of the board the income from the investment of the insurance sinking fund is sufficient to maintain the insurance fund at five per cent of the total insurance in force, no premium shall be charged for the ensuing year, except that no building or property insured by the board shall cease to pay premiums until five annual payments shall have been paid even though such payments increase such insurance sinking fund beyond the sum equal to five per cent of the total insurance in force.

HISTORY: 1962 Code Section 1‑443; 1952 Code Section 1‑443; 1942 Code Section 2187; 1936 (39) 1668.

**SECTION 10‑7‑150.** Renewals.

The State Budget and Control Board shall notify the officers, officials or trustees having the care and custody of the buildings insured under the provisions of this chapter, in writing, in advance of the expiration of policies of insurance on such buildings, and the officers, officials or trustees so served with written notice shall immediately make application to the board for the renewal of such insurance and shall forward, with their application, the amount of premium due the board on the insurance applied for; provided, that if no funds are available with which to pay the premium at the time application is made, the officer, official or trustee making the application shall so state and the amount, with interest, shall be paid by him out of the first funds available, as provided in Section 10‑7‑100.

HISTORY: 1962 Code Section 1‑444; 1952 Code Section 1‑444; 1942 Code Section 2188; 1936 (39) 1668; 1950 (46) 3605.

**SECTION 10‑7‑160.** Value of buildings.

The value of all public buildings shall be based on the actual cost of such buildings. If the State Budget and Control Board and the officers, officials or trustees having such buildings in their care and custody cannot agree on a value the value shall be fixed by three appraisers to be appointed and paid as provided in Section 10‑7‑180.

HISTORY: 1962 Code Section 1‑445; 1952 Code Section 1‑445; 1942 Code Section 2191; 1936 (39) 1668; 1950 (46) 3605.

**SECTION 10‑7‑170.** Amount of insurance.

The amount of insurance to be carried on all buildings and on the contents thereof as provided in this chapter shall be fixed by the State Budget and Control Board after consultation with the officers, officials or trustees having such buildings in their care and custody. But the amount of insurance to be carried, as so fixed, shall in no event exceed the value of the building and contents to be insured after reasonable deductions for depreciation.

HISTORY: 1962 Code Section 1‑446; 1952 Code Section 1‑446; 1942 Code Section 2192; 1936 (39) 1668.

**SECTION 10‑7‑180.** Appraisers in case of loss or damage.

In the event of loss or damage, when an agreement as to the extent of such loss or damage cannot be arrived at between the board and the officials having charge of the property, the amount of such loss or damage to be paid by the board shall be determined by three appraisers, one to be named by the board, one by the officer, official or trustee having the damaged or destroyed building in charge, and the third by the two so appointed. These appraisers shall file their written report with the board and a duplicate copy with the insured. The cost of the appraisal shall be borne one half by the board and one half by the insured.

HISTORY: 1962 Code Section 1‑447; 1952 Code Section 1‑447; 1942 Code Section 2193; 1936 (39) 1668; 1950 (46) 1985, 3605; 1965 (54) 590.

**SECTION 10‑7‑190.** Payment of amount of award.

The amount paid by the board, as fixed by the appraisers, shall, in the event the building so damaged or destroyed is a county building or a public school building, be paid over to the county treasurer of the county in which the building is located, to be by him paid out as required by law, upon the proper warrant or order of the proper official or trustees, for the repair, restoration or rebuilding of the property damaged or destroyed; and, in the event the property so damaged or destroyed is state property, then the amount shall be paid over to the officer or official having the property in his care and custody, to be expended by him for the repair, restoration or rebuilding of the property damaged or destroyed.

HISTORY: 1962 Code Section 1‑448; 1952 Code Section 1‑448; 1942 Code Section 2193; 1936 (39) 1668; 1950 (46) 3605.

**SECTION 10‑7‑200.** Contracts and loans for hazard reducing systems.

The State Budget and Control Board may make contracts with responsible manufacturers or installers of nationally recognized hazard reducing systems for the installation of approved nationally recognized hazard reducing systems in state institutions. If such contracts are made, the board may make loans to the institutions involved for the payment for such systems or may accept in such contracts any terms deemed advisable which may be agreed upon with the manufacturers or installers as to the payment therefor. Such contracts shall be made only when, in the judgment of the board, the resultant reduction in the premium rate, together with any funds which may be made available from other sources, will be sufficient to repay loans made by the board or to pay for the systems according to contract terms within a period of time satisfactory to the board. No reduction in the premium rate shall be allowed until such loans have been discharged or until payment has been made in full for the installation of such systems. The board may also make loans to owners, other than the State, of property insured by them for the purpose of installing such systems when, in their judgment, the reduction in premium rate will be sufficient to retire such loan, or loans, within a period of time satisfactory to the board. No reduction in the premium rate shall be made until such loans have been liquidated, and a provision to this effect shall be embodied in any such loan agreement.

HISTORY: 1962 Code Section 1‑449; 1952 Code Section 1‑449; 1942 Code Section 2195; 1935 (39) 379; 1936 (39) 1668; 1950 (46) 3605; 1975 (59) 192.

**SECTION 10‑7‑210.** Losses when board holds hazard reduction system loans.

In the event of a total or partial loss of any building on which the State Budget and Control Board carries a loan for the installation of a nationally recognized hazard reduction system, there shall be deducted from the amount of insurance payable, and credited on such loan, a proportion of the loan equal to the proportion which the amount of the loss payable bears to the total amount of insurance carried on the building or, in the case of institutions where insurance is carried on two or more buildings, the deduction and loan credit shall be a proportion of the loan equal to the proportion which the loss payable bears to the aggregate insurance carried on all such buildings. A provision to this effect shall be embodied in each loan agreement.

HISTORY: 1962 Code Section 1‑450; 1952 Code Section 1‑450; 1942 Code Section 2195; 1935 (39) 379; 1936 (39) 1668; 1950 (46) 3605; 1975 (59) 192.

**SECTION 10‑7‑220.** Inspectors.

The State Budget and Control Board may employ an inspector, or inspectors, whose duty shall be to protect the property of the State from damage or defacement in connection with the installation of nationally recognized hazard reduction systems and may charge the cost thereof to the institution or institutions involved as a part of the cost of the installation of such nationally recognized hazard reducing systems.

HISTORY: 1962 Code Section 1‑451; 1952 Code Section 1‑451; 1942 Code Section 2195; 1935 (39) 379; 1936 (39) 1668; 1950 (46) 3605; 1975 (59) 192.

**SECTION 10‑7‑230.** Penalties.

Any officer, official or trustee, upon whom the duties provided in this chapter devolve, who fails or refuses to carry out such provisions, shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined in a sum not less than twenty‑five dollars, nor more than one hundred dollars, or imprisoned not less than ten nor more than thirty days.

HISTORY: 1962 Code Section 1‑452; 1952 Code Section 1‑452; 1942 Code Section 2190; 1936 (39) 1668.