

Session 108 - (1989-1990)

H 3747 General Bill, By J.J. Bailey, Bailey, K.E. Bailey, R.A. Barber, Barfield, J.M. Baxley, L. Blanding, J. Brown, C.D. Chamblee, Davenport, Elliott, J. Faber, E.M. Fant, T.L. Farr, J.G. Felder, T. Ferguson, Glover, B.J. Gordon, J.V. Gregory, P.B. Harris, B.H. Harwell, Hayes, J.H. Hodges, D.N. Holt, T.E. Huff, M.F. Jaskwhich, J.C. Johnson, R.O. Kay, W.P. Keesley, H.H. Keyserling, J.E. Lockemy, S.G. Manly, D.E. Martin, F.E. McBride, D.M. McEachin, J.T. McElveen, McKay, D.A. Moss, J.H. Nesbitt, Phillips, Rhoad, J.I. Rogers, T.F. Rogers, I.K. Rudnick, P.E. Short, R. Smith, J.J. Snow, Townsend, J.W. Tucker, C.Y. Waites, Washington, L.S. Whipper, J.M. White, J.B. Wilder, Wilkes, Wilkins and J.B. Williams

A Bill to amend Section 38-73-1350, Code of Laws of South Carolina, 1976, relating to cooperation among rating organizations, so as to change their name to advisory organizations and delete the antitrust exemption in order to promote competition in the insurance industry and allow them to compile and disseminate only historic loss data with no mathematical manipulation; to repeal Sections 38-73-510, 38-73-530, 38-73-1210, 38-73-1270, 38-73-1280, 38-73-1290, 38-73-1310, 38-73-1320, 38-73-1330, 38-73-1340, 38-73-1360, and 38-73-1540, relating to the requirement that every Workers' Compensation insurer be a member of a nonpartisan rating bureau, the authority of the Chief Insurance Commissioner to grant a competitive insurance rate on a specific risk, the requirement that members of rating organizations are not required to file individually, the requirement that notice of changes in rules and regulations must be given to subscribers, the prohibition that a rating organization may not adopt a rule which would regulate certain payments, the requirement that a member or subscriber to a rating organization shall adhere to the filings made on its behalf, provisions regarding application by a member of or subscriber to a rating organization for deviation by a casualty or automobile insurer, the hearing and action before the Commission regarding the rating organization upon application, the making of rules for submission to the Commission by a rating organization, the appeal by a minority of members or subscribers of a rating organization from an action or decision of the organization to the Commission, the subscription or purchase of actuarial, and other technical services, and rate filing by insurers which are not supported by data from unauthorized advisory organizations; to amend Sections 38-57-130 and 38-57-140, relating to the prohibition of misrepresentations, special inducements, and rebates in all insurance rebated and the definition of discrimination and rebates regarding life insurance, annuities, and disability insurance, so as to authorize rebates of agents, commissions in automobile insurance policies and contracts; to reenact Section 38-73-465, so as to provide for the revision and review of rates for automobile insurance by the Chief Insurance Commissioner, including provisions which limit the amount for each premium dollar of expenses allowable, codify the rate of return formula on investment income, and require a fifteen percent rate reduction for the average driver with zero merit rating surcharge points; amend Section 38-77-910, relating to unlawful discrimination between policyholders or applicants, so as to provide that neither gender nor age may be included in rating plans but miles driven must be included; by adding Section 38-77-360 so as to require automobile insurance companies to develop and implement safety programs to help lower costs; by adding Sections 34-3-120 and 34-3-130 so as to authorize the participation of financial institutions in reinsurance and in insurance exchanges, and three years from the effective date of Section 34-3-120 authorize these institutions to enter all lines of insurance; to amend Section 38-77-950, relating to unreasonable or excessive use of the Reinsurance Facility, so as to prohibit companies from ceding automobile drivers to the Facility unless the objective standards are met, and require an insurance company to inform policyholders if they are in the Reinsurance Facility; to amend Section 38-77-600, relating to the Reinsurance Facility recoupment charge, so as to eliminate the entire recoupment charge for policyholders with no surcharge points and increase the multiplier in the formula for policyholders in the Facility; to amend Section 38-77-620, relating to the inclusion of recoupment charges in automobile insurance rates, so as to delete the addition of the base to the recoupment charge and add expenses which are actual, prudently incurred to those factors used in determining rates for small commercial automobile risks; to amend Section 38-77-110, relating to the requirement of automobile insurance companies to write or renew automobile insurance policies for individual private passenger automobiles or small commercial risks, so as to provide for penalties for avoidance to write the policies or for undue coercion or other unfair employment practices by companies against their agents; by adding Section 38-77-245 so as to provide that when an uninsured motor vehicle is involved in a motor vehicle accident where the driver of the other vehicle who is insured is at fault, the uninsured driver, if any, is entitled to damages for bodily injury resulting from the accident but no property damages to the uninsured motor vehicle are allowed; and by adding Article 2, Chapter 77, Title 38 so as to require a certificate of insurance to be placed on all motor vehicles registered in this State so as to insure that all motor vehicles have automobile liability policies in force on these vehicles, and to provide that each policyholder, by the implementation of a certificate of insurance system, be responsible for the insurance of his vehicle so that the recoupment fee surcharge may be abolished and provide penalties for violations.

03/23/89 House Introduced and read first time HJ-4

03/23/89 House Referred to Committee on Labor, Commerce and Industry HJ-6

01/23/90 House Tabled in committee