

## Session 109 - (1991-1992)

### **S 1157 General Bill, By Reese**

A Bill to amend the Code of Laws of South Carolina, 1976, by adding Section 38-3-65 so as to allow the Chief Insurance Commissioner to suspend the driver's license of a driver, for a period not to exceed thirty days, under certain conditions and circumstances; to amend the 1976 Code by adding Section 38-3-102 so as to provide that the Commissioner must be elected and provide for his term, candidacy qualifications, and vacancies; to amend the 1976 Code by adding Section 38-73-458 so as to prohibit an automobile insurer from raising an insured's premium based upon the insured's driving record or accident record, or combination of both of these, or from removing an insured's safe driver discount under certain conditions and circumstances, if the insured completes and passes a safe driver course approved by the Commissioner; to amend the 1976 Code by adding Section 56-1-467 so as to provide that in addition to all other penalties provided by law a person may have his license to drive suspended for six months if he is convicted of, or pleads guilty or nolo contendere to, five traffic offenses in a one-year period or is convicted of, or pleads guilty or nolo contendere to, driving under the influence of alcohol or drugs two or more times in a one-year period, and provide that this suspension can be waived only upon a showing to the Commissioner of extreme hardship and substantial rehabilitation; to amend Section 38-3-60, relating to the Insurance Commission and the Commissioner, so as to delete the language empowering the Commission to select and employ the Commissioner; to amend Section 38-73-450, relating to fairness of automobile insurance rates or premium charges, burden on insurer to prove fairness, and factors to be considered by the Commissioner, so as to require the Commissioner to take into account investment income from all sources, all profits from every source, including investment income, both active and passive, and earned interest, prohibit an insurer from claiming reduced profit by doing, or failing to do, certain things, require that any profit of an insurer exceeding ten percent per annum be refunded to its insureds unless the insurer can demonstrate extreme and compelling hardship justifying the refund of a lesser sum, and provide that a request for any rate increase or premium increase may be denied or disapproved by taking into account as a factor the inefficiency of the insurer or sufficient insurer profit; to amend Section 38-73-455, as amended, relating to automobile insurance rates, so as to delete the provisions relating to the Reinsurance Facility; to amend Section 38-73-735, as amended, relating to plans for credits or discounts to automobile insureds, so as to delete the provisions authorizing the plans to be ceded to the Reinsurance Facility; to amend Section 38-73-750, as amended, relating to the requirement that automobile insurers file plans for allocating expenses and profit, so as to delete the references to the Reinsurance Facility; to amend Section 38-73-760, as amended, relating to uniform statistical plans for the automobile insurance business, so as to delete the reference to the Reinsurance Facility; to amend Section 38-77-30, as amended, relating to definitions pertaining to automobile insurance, so as to delete the definition of the Reinsurance Facility; to amend Section 38-77-285, as amended, relating to the requirement that all automobile insurance coverages for an insured's automobile must be in one policy, so as to provide for the requirement to apply to individual passenger automobiles instead of vehicles ceded to the Reinsurance Facility; to provide that nothing in this Act shall be construed to eliminate the mandate on automobile insurers doing business in this State to write insurance for all or for self-insured plans approved by the Commissioner to comply with the financial responsibility statutes of this State, and to provide that nothing in this Act shall be construed to eliminate compulsory insurance for all drivers and compliance with the financial responsibility statutes; to require the Commissioner to approve a ten percent reduction in rate or premium charges used by automobile insurers; provide for the Commissioner's 1994 election; and to repeal Section 38-3-100 relating to the Commissioner, effective upon his election, and Sections 38-73-1420, 38-73-1425, 38-77-920, 38-77-940, 38-77-950, and 38-77-960 and Article 5, Chapter 77, Title 38 relating to the Reinsurance Facility.

**01/15/92 Senate Introduced and read first time SJ-163**

**01/15/92 Senate Referred to Committee on Banking and Insurance SJ-16**