~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 13, 2010

**S. 1025**

Introduced by Senator Cromer

S. Printed 4/13/10--S.

Read the first time January 12, 2010.

**THE COMMITTEE ON BANKING AND INSURANCE**

To whom was referred a Bill (S. 1025) to amend Section 38‑73‑737 of the 1976 Code, relating to driver training course credit toward liability and collision insurance coverage, to reduce the initial course from eight, 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, page 1, beginning on line 24, by striking SECTION 1 in its entirety and inserting:

/ SECTION 1. Section 38‑73‑737 of the 1976 Code, as last amended by Act 51 of 2003, is further amended to read:

“Section 38‑73‑737. (A) Premium rates charged for liability coverages and collision coverage under a private passenger automobile insurance policy are subject to an appropriate driver training course credit once satisfactory evidence is presented that an applicant for the credit~~, who is not subject to the youthful operator approved driver training course credit mandated by Regulation 69‑13.2(C),~~ has completed successfully an approved driver training course. The amount of the credit may be determined by each individual insurer based upon factually or statistically supported data and is subject to prior approval by the commissioner. The credit must be afforded to the operator for a minimum period of no less than thirty‑six months from the date the approved driver training course was completed. The insurer may require as a condition of providing and maintaining the credit, that the insured for a three‑year period after course completion not be involved in an accident for which the insured is at fault. The credit must be afforded by each insurer in a nondiscriminatory manner to all applicants~~, other than those considered within Regulation 69‑13.2(C)~~.

(B) ‘An approved driver training course’ for purposes of this section is a driver training course which has been approved by the Department of Motor Vehicles and was conducted by:

(1) a recognized college or university;

(2) instructors certified by the Department of Motor Vehicles; or

(3) any other school approved and supervised by the Department of Motor Vehicles.

(C) The requirements of the course, in order to qualify for the insurance credit, must include the following minimum criteria:

(1) ~~eight~~ six hours of classroom instruction;

(2) the teaching method must include group discussion, lecture, and visual presentations;

(3) the course materials must include age‑related physical changes affecting older drivers, accident prevention measures, and a basic review of the rules‑of‑the‑road including, but not limited to, rights of way, backing, entering, and leaving interstate highways; and

(4) a relevant test on the course material.

(D) For purposes of this section ‘satisfactory evidence’ is a certificate signed by an official of the school or the Department of Motor Vehicles, which certifies that:

(1) the person achieved a passing grade on a relevant test on the course material;

(2) the course was approved by and the instructors were certified by the Department of Motor Vehicles; and

(3) the school was approved and supervised by the Department of Motor Vehicles.

(E) Only the vehicle driven by drivers who have completed successfully the driver training course qualifies for the insurance credit. In order for the credit to apply, the certificate must be furnished by the named insured, principal operator of the insured vehicle~~, and all occasional operators named in the policy as provided in Department of Insurance Regulation 69‑13.1(II)(C)~~. Other vehicles which may be operated by other family members who have not completed the driver training course do not qualify for the insurance credit unless the primary driver of the additional vehicle has successfully completed the driver training course.

(F)(1) An applicant meeting the requirements of this section and receiving a driver training course credit may renew the insurance credit provided in this section by completing a four hour driver training refresher course that has been approved by the Department of Motor Vehicles provided this driver training refresher course is taken within thirty‑eight months from the date the approved driver training course as defined in subsections (B), (C), and (G) was completed by the applicant. The applicant must furnish satisfactory evidence of successfully completing the four hour driver training refresher course to the insurer to renew the insurance credit provided by this section.

(2) An applicant that fails to renew the insurance credit as provided for in item (1) of this subsection shall complete successfully an approved driver training course as provided for in subsection (C) in order to qualify for the insurance credit.

(G) Only driver training courses taken on a voluntary basis qualify for the insurance credit. Driver training courses taken as a requirement of a driving offense including, but not limited to, ADSAP or driver training courses taken to reduce the number of traffic violation points against a driver’s license, do not qualify for the insurance credit provided in this section.

(H) The Department of Motor Vehicles may promulgate regulations pertaining to the requirements of fifty‑five years and older driver safety Internet courses. The regulations shall include, but not be limited to, methods to ensure verification of the:

(1) course enrollee’s identity at the time of registration and throughout the duration of the approved Internet course;

(2) participation of the enrollee throughout the duration of the course;

(3) completion of the course by the enrollee within the time requirements imposed by the course or the Department of Motor Vehicles; and

(4) successful completion of the course by the enrollee.” /

Renumber sections to conform.

Amend title to conform.

DAVID L. THOMAS 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:**

Department of Insurance

The department indicates this bill would have a minimal impact on the General Fund of the State or federal and/or other funds due to additional insurer filings and consumer inquiries which would be absorbed within existing resources.

Department of Motor Vehicles

The department indicates enactment of this bill will have no impact on the federal and/or other funds of the agency.

*Approved By:*

Harry Bell

Office of State Budget

**A** **BILL**

TO AMEND SECTION 38‑73‑737 OF THE 1976 CODE, RELATING TO DRIVER TRAINING COURSE CREDIT TOWARD LIABILITY AND COLLISION INSURANCE COVERAGE, TO REDUCE THE INITIAL COURSE FROM EIGHT TO SIX HOURS, TO ALLOW FOR A FOUR HOUR REFRESHER COURSE EVERY THREE YEARS, AND TO ALLOW THE DEPARTMENT OF INSURANCE TO PROMULGATE REGULATIONS FOR FIFTY‑FIVE YEARS AND OLDER DRIVER SAFETY INTERNET COURSES.

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

SECTION 1. Section 38‑73‑737 of the 1976 Code is amended to read:

“Section 38‑73‑737. (A) Premium rates charged for liability coverages and collision coverage under a private passenger automobile insurance policy are subject to an appropriate driver training course credit once satisfactory evidence is presented that an applicant for the credit~~, who is not subject to the youthful operator approved driver training course credit mandated by Regulation 69‑13.2(C),~~ has completed successfully an approved driver training course. The amount of the credit may be determined by each individual insurer based upon factually or statistically supported data and is subject to prior approval by the commissioner. The credit must be afforded to the operator for thirty‑six months from the date the approved driver training course was completed. The insurer may require as a condition of providing and maintaining the credit, that the insured for a three‑year period after course completion not be involved in an accident for which the insured is at fault. The credit must be afforded by each insurer in a nondiscriminatory manner to all applicants~~, other than those considered within Regulation 69‑13.2(C)~~.

(B) ‘An approved driver training course’ for purposes of this section is a driver training course which has been approved by the Department of Motor Vehicles and was conducted by:

(1) a recognized college or university;

(2) instructors certified by the Department of Motor Vehicles; or

(3) any other school approved and supervised by the Department of Motor Vehicles.

(C) The requirements of the course, in order to qualify for the insurance credit, must include the following minimum criteria:

(1) ~~eight~~ six hours of classroom instruction;

(2) the teaching method must include group discussion, lecture, and visual presentations;

(3) the course materials must include age‑related physical changes affecting older drivers, accident prevention measures, and a basic review of the rules‑of‑the‑road including, but not limited to, rights of way, backing, entering, and leaving interstate highways; and

(4) a relevant test on the course material.

(D) For purposes of this section ‘satisfactory evidence’ is a certificate signed by an official of the school or the Department of Motor Vehicles, which certifies that:

(1) the person achieved a passing grade on a relevant test on the course material;

(2) the course was approved by and the instructors were certified by the Department of Motor Vehicles; and

(3) the school was approved and supervised by the Department of Motor Vehicles.

(E) Only the vehicle driven by drivers who have completed successfully the driver training course qualifies for the insurance credit. In order for the credit to apply, the certificate must be furnished by the named insured, principal operator of the insured vehicle~~, and all occasional operators named in the policy as provided in Department of Insurance Regulation 69‑13.1(II)(C)~~. Other vehicles which may be operated by other family members who have not completed the driver training course do not qualify for the insurance credit unless the primary driver of the additional vehicle has successfully completed the driver training course.

(F)(1) An applicant meeting the requirements of this section and receiving a driver training course credit may renew the insurance credit by completing a four hour driver training refresher course that has been approved by the Department of Motor Vehicles and furnishing satisfactory evidence to the insurer within sixty days from the termination of the preceding thirty‑six months effective period.

(2) An applicant that fails to renew the insurance credit as provided for in item (1) of this subsection shall successfully complete an approved driver training course as provided for in subsection (C) in order to qualify for the insurance credit.

(G) Only driver training courses taken on a voluntary basis qualify for the insurance credit. Driver training courses taken as a requirement of a driving offense including, but not limited to, ADSAP or driver training courses taken to reduce the number of traffic violation points against a driver’s license, do not qualify for the insurance credit provided in this section.

(H) The department may promulgate regulations pertaining to the requirements of fifty‑five years and older driver safety Internet courses. The regulations shall include, but not be limited to, methods to ensure verification of the:

(1) course enrollee’s identity at the time of registration and throughout the duration of the approved Internet course;

(2) participation of the enrollee throughout the duration of the course;

(3) completion of the course by the enrollee within the time requirements imposed by the course or the department; and

(4) successful completion of the course by the enrollee.”

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

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