**A** **BILL**

TO AMEND SECTION 56‑10-40, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO REQUIRING PROVIDERS OF AUTOMOBILE LIABILITY INSURANCE AND PROVIDERS OF OTHER SECURITY IN LIEU OF THIS INSURANCE TO NOTIFY THE DEPARTMENT OF MOTOR VEHICLES OF THE LAPSE OR TERMINATION OF THE INSURANCE OR SECURITY, COMPLIANCE TRANSACTIONS REQUIRED OF VEHICLE OWNERS, AND THE DEPARTMENT’S REQUIRED EFFORTS TO NOTIFY THE OWNER THAT HIS CERTIFICATE OF REGISTRATION AND DRIVING PRIVILEGES HAVE BEEN SUSPENDED, SO AS TO PROVIDE THAT THE NOTICE THAT THE PROVIDER OF INSURANCE AND OTHER SECURITY ARE REQUIRED TO PROVIDE TO THE DEPARTMENT ALSO MUST BE PROVIDED TO THE OWNER OF THE VEHICLE AND THE OPERATOR OF THE VEHICLE, TO PROVIDE THAT THE NOTICES MUST RELATE TO THE LAPSE OR TERMINATION OF THE INSURANCE OR SECURITY BY THE INSURER OR THE INSURED, TO PROVIDE A PERIOD IN WHICH THE NOTICE MUST BE ISSUED AND THE METHOD OF NOTIFICATION THAT MUST BE USED, AND TO PROVIDE A PENALTY THAT MUST BE IMPOSED FOR FAILURE TO PROVIDE THE NOTICE TO THE DEPARTMENT AND THE OWNER OF THE VEHICLE, AND TO PROVIDE THAT FAILURE TO PROVIDE THIS NOTICE IS A REBUTTABLE PRESUMPTION OF BAD FAITH.

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

SECTION 1. Section 56‑10‑40 of the 1976 Code is amended to read:

“Section 56‑10‑40. (A) Every insurer writing automobile liability insurance in this State and every provider of other security approved and accepted by the director or his designee in lieu of such insurance shall notify the Department of Motor Vehicles, the owner of the vehicle, and the listed operator or operators of the vehicle in a manner prescribed by regulation of the lapse or termination of any such insurance or security by the insurer or the insured within fifteen days of the date of the lapse or termination and shall notify the department of compliance transactions required of vehicle owners under Section 56‑10‑650 as prescribed by regulation. These notifications must be made in a manner prescribed by the working group, but must include certified United States Postal Service mail. An insurer or provider of another security that fails to comply with this subsection must be fined not more than five hundred dollars per occurrence. Such failure constitutes a rebuttable presumption of bad faith.

(B) Upon receipt of any such notice of lapse or termination the department shall make a reasonable effort to notify the person that his certificate of registration and driving privileges have been suspended and shall recover the certificate from ~~such~~ the person and the motor vehicle license plate from the vehicle concerned.”

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

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