**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38‑73‑1305 SO AS TO PROVIDE WHEN A PUBLIC PROTECTION CLASSIFICATION BY THE INSURANCE SERVICES OFFICE RATING IS CHANGED TO REFLECT IMPROVED FIRE PROTECTION, AN INSURER ACCORDINGLY SHALL REDUCE ITS PREMIUM FOR FIRE POLICIES IN A CERTAIN MANNER WITHIN SIXTY DAYS FROM THE EFFECTIVE DATE OF THE CHANGE IN THE PUBLIC PROTECTION CLASSIFICATION, WHICHEVER OCCURS FIRST, TO PROVIDE PENALTIES FOR VIOLATIONS, AND TO PROVIDE RECORD KEEPING AND PUBLIC AVAILABILITY REQUIREMENTS.

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

SECTION 1. Article 11, Chapter 73, Title 38 of the 1976 Code is amended by adding:

“Section 38‑73‑1305. (A) When a public protection classification by the Insurance Services Office (ISO) rating is changed to reflect improved fire protection in an area or for a governmental entity, an insurer accordingly shall reduce its premium for fire policies issued and when the insurance protection class improves from a class two to a class one, the percentage amount of such premium reduction must be uniform for all policies in the area whether the property is classified as commercial or residential. This reduction must be granted before the next policy renewal or within sixty days from the effective date of the change in the public protection classification, whichever occurs first.

(B) Whenever a public protection classification is changed to reflect a detrimental change in fire protection in an area or for a governmental entity, an insurer may adjust its premium for that policy and the percentage amount of such adjustment must be uniform for all policies in the area whether the property is classified as commercial or residential.

(C) The commissioner of insurance shall assess a penalty fine against any insurer which does not reduce its premium within the time periods specified in Subsection (A), and this penalty must be in an amount assessed by the department but it may not be less than one thousand dollars and not more than five thousand dollars for each violation.

(D) All records of the department that were used to determine the classification of a public fire protection area must be open to inspection during normal business hours and upon reasonable notice given by the fire chiefs and the principal elected officials or their designees within the fire protection area. ‘Principal elected officials’ means the mayors of towns, cities, and municipalities and the presidents of police juries.”

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

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