**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38‑3‑450 SO AS TO AUTHORIZE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE TO PROMULGATE AN EMERGENCY REGULATION CONCERNING THE PAYMENT OF A CLAIM AFTER THE GOVERNOR HAS DECLARED A STATE OF EMERGENCY, TO PROVIDE WHAT CONSTITUTES A VALID CLAIM, AND TO PROVIDE A PENALTY FOR AN INSURER THAT COMMITS AN IMPROPER CLAIM PRACTICE WHILE SUBJECT TO THE EMERGENCY REGULATION.

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

SECTION 1. Article 1, Chapter 3, Title 38 of the 1976 Code is amended by adding:

“Section 38‑3‑450. (A) The department may establish, by emergency regulation, a temporary claim practice requiring an insurer engaged in the business of providing property insurance to pay an insured’s valid claim of loss related to a natural disaster within sixty days of the Governor revoking the declaration of a state of emergency if the claim is filed within sixty days of the natural disaster.

(B)(1) A claim is valid if the damage is a direct result of the natural disaster and the insurer confirms the loss. The insurer’s financial responsibility may be reduced if the natural disaster is only partially responsible for the total loss. The insurer may not delay inspection of the property in order to delay covering the claim and must take all reasonable steps to inspect the property within a reasonable time period.

(2) If a property is deemed unfit for human habitation by the Federal Emergency Management Agency, a claim submitted by the insured is considered valid.

(C) If an insurer subject to the emergency regulation fails to pay a valid claim of loss within the sixty-day time frame without reason or otherwise engages in an improper claims practice pursuant to Section 38‑59‑20, the insured may report the insurer to the department and the department must investigate the allegation. If the director or his designee finds that an insurer has failed to pay a valid claim of loss in bad faith, the director may impose a fine of up to ten thousand dollars.”

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

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