**South Carolina General Assembly**

125th Session, 2023-2024

**H. 3947**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. White and Beach

Companion/Similar bill(s): 5148

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Introduced in the House on February 14, 2023

Currently residing in the House Committee on **Labor, Commerce and Industry**

Summary: Automobile insurance

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/14/2023 House Introduced and read first time ([House Journal‑page 9](h:\hj\20230214.docx))

2/14/2023 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 9](h:\hj\20230214.docx))

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=3947&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[02/14/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/3947_20230214.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 38-77-410 SO AS TO REQUIRE ALL AUTOMOBILE INSURANCE POLICIES TO CONTAIN AN APPRAISAL CLAUSE; BY ADDING SECTION 38-77-420 SO AS TO PROVIDE THAT AN INSURANCE POLICY THAT COVERS A PERSON OPERATING A RENTED OR LEASED VEHICLE SHALL BE PRIMARY TO A MOTOR VEHICLE INSURANCE POLICY; and BY ADDING SECTION 38-77-430 SO AS TO REQUIRE INSURERS TO PAY SALES TAX FOR AUTOMOBILE PAINT WHEN REQUIRED TO PROVIDE CAR PAINTING SERVICES.

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

SECTION 1. Article 3, Chapter 77, Title 38 of the S.C. Code is amended by adding:

Section 38-77-410. Notwithstanding another provision of law, all new automobile insurance policies issued in this State must include an appraisal clause. At the time of renewal of an existing automobile insurance policy, the insurer must include an appraisal clause.

Section 38-77-420. (A) An insurance policy that covers a person operating a rented or leased vehicle, regardless of the limitations or exclusions in the operator’s policy, shall be primary to:

(1) a motor vehicle insurance policy in which the named insured is a rental company or affiliate of the rental company;

(2) a qualified self-insurer, as defined in Section 56-9-60, a rental company, or an affiliate of the rental company; and

(3) a bond posted by a rental company or an affiliate of the rental company for the purpose of complying with financial responsibility.

(B) The limits of the primary policy must be exhausted before there may be a recovery under a policy issued to or against other financial responsibility maintained by a rental company.

Section 38-77-430. When automobile repairs undertaken pursuant to an automobile insurance policy require the use of automobile paint, the insurer must pay the state sales tax on automobile paint.

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

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