**South Carolina General Assembly**

125th Session, 2023-2024

**H. 5066**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Elliott, G.M. Smith, W. Newton, Bailey, Wheeler, T. Moore, Taylor, Hixon, Oremus, Blackwell, Schuessler, Stavrinakis, Wetmore, Bradley, Erickson, Hyde, Ballentine, Calhoon, Crawford, Guest and M.M. Smith

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Introduced in the House on February 8, 2024

Introduced in the Senate on April 2, 2024

Last Amended on March 28, 2024

Currently residing in the House

Summary: Fair Access to Insurance Requirements

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 2/8/2024 House Introduced and read first time (House Journal‑page 3)

 2/8/2024 House Referred to Committee on **Judiciary** (House Journal‑page 3)

 2/13/2024 House Member(s) request name added as sponsor: Taylor,
 Hixon, Oremus, Blackwell

 2/14/2024 Scrivener's error corrected

 2/27/2024 House Member(s) request name added as sponsor: Schuessler

 2/28/2024 House Member(s) request name added as sponsor:
 Stavrinakis, Wetmore

 2/28/2024 House Committee report: Favorable with amendment **Judiciary** (House Journal‑page 12)

 2/29/2024 House Member(s) request name added as sponsor: Bradley,
 Erickson

 3/1/2024 Scrivener's error corrected

 3/5/2024 House Member(s) request name added as sponsor: Hyde,
 Ballentine, Calhoon

 3/6/2024 House Requests for debate-Rep(s). W Newton, Carter, Brittain, B Newton, Felder, O'Neal, Ligon, Guffey, Hyde, T Moore, McCravey, Nutt, Guest, JE Johnson, Bailey, BL Cox, Pace, Magnuson, Ott, Hiott, Hewitt, Rivers, McDaniel, Robbins, Hart, Jefferson, Chumley, Gibson, Gilliam, Brewer, Mitchell, White, Caskey (House Journal‑page 53)

 3/20/2024 House Debate adjourned (House Journal‑page 83)

 3/21/2024 House Debate adjourned (House Journal‑page 53)

 3/27/2024 House Debate adjourned (House Journal‑page 39)

 3/28/2024 House Member(s) request name added as sponsor:
 Crawford, Guest, M.M. Smith

 3/28/2024 House Amended (House Journal‑page 89)

 3/28/2024 House Read second time (House Journal‑page 89)

 3/28/2024 House Roll call Yeas-106 Nays-2 (House Journal‑page 99)

 3/28/2024 House Unanimous consent for third reading on next legislative day (House Journal‑page 101)

 3/29/2024 House Read third time and sent to Senate (House Journal‑page 7)

 4/2/2024 Senate Introduced and read first time (Senate Journal‑page 18)

 4/2/2024 Senate Referred to Committee on **Banking and Insurance** (Senate Journal‑page 18)

 4/2/2024 Scrivener's error corrected

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=5066&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[02/08/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/5066_20240208.docx)

[02/14/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/5066_20240214.docx)

[02/28/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/5066_20240228.docx)

[03/01/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/5066_20240301.docx)

[03/28/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/5066_20240328.docx)

[04/02/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/5066_20240402.docx)

Indicates Matter Stricken

Indicates New Matter

Amended

March 28, 2024

H. 5066

Introduced by Reps. Elliott, G.M. Smith, W. Newton, Bailey, Wheeler, T. Moore, Taylor, Hixon, Oremus, Blackwell, Schuessler, Stavrinakis, Wetmore, Bradley, Erickson, Hyde, Ballentine, Calhoon, Crawford, Guest and M.M. Smith

S. Printed 03/28/24--H. [SEC 4/2/2024 2:48 PM]

Read the first time February 08, 2024

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A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING CHAPTER 103 TO TITLE 38 ENTITLED THE “FAIR ACCESS TO INSURANCE REQUIREMENTS” SO AS TO PROVIDE AN AFFORDABLE OPTION TO PROVIDE LIQUOR LIABILITY INSURANCE TO ANY PERSON OR BUSINESS REQUIRED TO MAINTAIN SUCH A POLICY, TO CREATE THE AFFORDABLE LIQUOR LIABILITY FUND TO AID IN THE FUNDING OF THE PROGRAM, AND TO PROVIDE THAT THE EXCISE TAX ON ALCOHOLIC LIQUOR BY THE DRINK MUST BE CREDITED TO THE FUND IN CERTAIN CIRCUMSTANCES; TO AMEND SECTION 12‑33‑245, RELATING TO THE EXCISE TAX, SO AS TO MAKE A CONFORMING CHANGE; BY AMENDING SECTION 61‑2‑145, RELATING TO LIABILITY INSURANCE COVERAGE REQUIREMENTS, SO AS TO PROVIDE FOR A LIQUOR LIABILITY RISK MITIGATION PROGRAM; AND TO PROVIDE THAT THE INSURANCE RESERVE FUND IS AUTHORIZED TO PROVIDE A START-UP LOAN TO THE FUND.

 Amend Title To Conform

Whereas, private insurers are increasingly unwilling or unable to provide affordable liquor liability insurance coverage in this State; and

Whereas, the absence of affordable liquor liability insurance threatens the livelihood of certain businesses in this State and thus the economic health of the State; and

Whereas, the State therefore has a compelling public interest and a public purpose to assist in assuring that businesses in this State can affordably purchase liquor liability insurance; and

Whereas, the General Assembly intends to aid the businesses in this State in acquiring affordable liquor liability insurance while achieving efficiencies and economies, and while providing service to policyholders, applicants, and agents which is no less than the quality generally provided in the private market, for the achievement of the foregoing public purposes. Now, therefore,

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

SECTION 1. Section 38-90-20(A) of the S.C. Code is amended to read:

 (A) A captive insurance company, when permitted by its articles of incorporation, articles of organization, operating agreement, or charter, may apply to the director for a license to provide any and all insurance, except workers' compensation insurance written on a direct basis, authorized by this title; including without limitation liquor liability insurance; however:

 (1) a pure captive insurance company may not insure any risks other than those of its parent, affiliated companies, controlled unaffiliated business, risks assumed from a risk pool for the purpose of risk sharing, or a combination of them;

 (2) an association captive insurance company may not insure any risks other than those of the member organizations of its association and their affiliated companies;

 (3) an industrial insured captive insurance company may not insure any risks other than those of the industrial insureds that comprise the industrial insured group and their affiliated companies;

 (4) a special purpose captive insurance company may provide insurance or reinsurance, or both, for risks as approved by the director;

 (5) a captive insurance company may not provide personal motor vehicle or homeowner's insurance coverage written on a direct basis;

 (6) a captive insurance company may not accept or cede reinsurance except as provided in Section 38-90-110.

SECTION 2. Section 61-2-60 of the S.C. Code is amended by adding:

(9) regulations governing the development, implementation, education, and enforcement of responsible alcohol server training positions.

SECTION 3. Section 61-2-145 of the S.C. Code is amended to read:

 Section 61-2-145. (A) In addition to all other requirements, a person licensed or permitted to sell alcoholic beverages for on-premises consumption, which remains open after five o'clock p.m. to sell alcoholic beverages for on-premises consumption, is required to maintain a liquor liability insurance policy or a general liability insurance policy with a liquor liability endorsement for a total coveragewith an annual aggregate limit of at least one million dollars during the period of the biennial permit or license, unless the person licensed or permitted to sell alcoholic beverages qualifies under the terms of a liquor liability risk mitigation program pursuant to subsection (E). Failure to maintain this coverage during the period of the biennial permit or license constitutes grounds for suspension or revocation of the permit or license and is sufficient grounds for the department to seek an emergency revocation order as provided in Sections 12‑60‑1340 and 1‑23‑370(c). An insurance policy issued pursuant to this section must provide for minimum coverage of at least fifty percent of the total aggregate limit, per occurrence, given rise to the claim.

 (B) The department shall add this requirement to all applications and renewals for biennial permits or licenses to sell alcoholic beverages for on-premises consumption, in which the permittees and licensees remain open and sell alcoholic beverages for on-premises consumption after five o'clock p.m. Each applicant or person renewing its license or permit, to whom this requirement applies, shall provide the department with documentation of a liquor liability insurance policy or a general liability insurance policy with a liquor liability endorsement in the required amounts.

 (C) Each insurer writing liquor liability insurance policies or general liability insurance policies with a liquor liability endorsement to a person licensed or permitted to sell alcoholic beverages for on-premises consumption, in which the person so licensed or permitted remains open to sell alcoholic beverages for on-premises consumption after five o'clock p.m., must notify the department in a manner prescribed by department regulation of the lapse or termination of the liquor liability insurance policy or the general liability insurance policy with a liquor liability endorsement.

 (D) For the purposes of this section, the term “alcoholic beverages” means beer, wine, alcoholic liquors, and alcoholic liquor by the drink as defined in Chapter 4, Title 61, and Chapter 6, Title 61.

 (E) A person licensed or permitted to sell alcoholic beverages for on‑premises consumption, which remains open after five o’clock p.m. to sell alcoholic beverages for on‑premises consumption, may qualify for liquor liability risk mitigation. A person qualifies if the person:

 (1) stops serving alcohol by twelve o’clock a.m. A person meeting the requirements of this item may reduce the required annual aggregate limit by one hundred thousand dollars, and an additional one hundred thousand dollars for each hour earlier until six o’clock p.m.;

 (2) completes an alcohol server training course pursuant to Title 61, Chapter 3;

 (3) has less than forty percent of its total sales deriving from alcohol sales; or

 (4) is a nonprofit organization which is exempt from taxation pursuant to Section 501(c) of Title 26 of United States Code, as amended, or the entity is engaging in a single event for which a Beer and Wine Special Event License or Liquor Special Event Permit is obtained.

 (5) A person meeting the requirements of items (2) or (3) may reduce the required annual aggregate limit by one hundred thousand dollars each. An entity meeting the requirements of item (4) may reduce the annual aggregate limit by five hundred thousand dollars. A person complying with any combination of items (1)-(4) must receive the permitted reduction in the required annual aggregate limit for each item the entity complies with provided a person licensed or permitted to sell alcoholic beverages for on-premises consumption, which remains open after five o’clock p.m. to sell alcoholic beverages for on-premises consumption, must at all times maintain coverage with an annual aggregate limit of at least two hundred fifty thousand dollars during the period of the biennial permit or license.

 (6) Insurers must establish liquor liability mitigation measures and offer premium discounts for compliance therewith that reduce the risk to the general public associated with the service of on-premises consumption of alcohol.

 (F) For purposes of this section, the calculation of total sales shall include sales of alcohol sold for on‑premises consumption and all food and non‑alcoholic beverages sold on the premises where the alcohol is sold, including food and non‑alcoholic beverages sold by third‑party vendors.

SECTION 4. Title 61 of the S.C. Code is amended by adding:

CHAPTER 3

Alcohol Server Training

 Section 61-3-100. For the purposes of this chapter, the following definitions apply:

 (1) "Alcohol" means beer, wine, alcoholic liquors, or any other type of alcoholic beverage that contains any amount of alcohol and is used as a beverage for human consumption.

 (2) "Alcohol server" means an individual who sells, serves, transfers, or dispenses alcohol for on-premises consumption at permitted or licensed premises and may include a permittee, licensee, manager, or other employee of a permittee or licensee. "Alcohol server" does not include an individual employed or volunteering on a temporary basis for a one-time special event, such as a banquet, or at an event that has a temporary permit to sell beer, wine, or alcoholic liquors by the drink and does not include an individual transferring alcohol from one location to another as a distributor, wholesaler, or as otherwise lawfully authorized to transfer alcohol from one location to another by this title; and does not include an individual who cannot lawfully serve or deliver alcohol pursuant to Sections 61-4-90(D) and 61-6-2200.

 (3) "Alcohol server certificate" means an authorization issued by the department for an individual to be employed or engaged as an alcohol server for on-premises consumption.

 (4) "DAODAS" means the South Carolina Department of Alcohol and Other Drug Abuse Services.

 (5) "Department" means the South Carolina Department of Revenue.

 (6) "Division" means the South Carolina Law Enforcement Division.

 (7) "Employee" means a person who is employed for at least ten hours a week by a permittee or a licensee.

 (8) "Licensee" means a person issued a license by the department pursuant to Title 61 to sell, serve, transfer, or dispense alcoholic liquors or alcoholic liquor by the drink for on-premises consumption.

 (9) "Manager" means an individual employed by a permittee or licensee who manages, directs, or controls the sale, service, transfer, or dispensing of alcoholic beverages for on-premises consumption at the permitted or licensed premises.

 (10) "Permittee" means a person issued a permit by the department pursuant to Title 61 to sell, serve, transfer, or dispense beer, wine, ale, porter, or other malted beverages for on-premises consumption.

 (11) "Program" means an alcohol server training and education course and examination approved by the department with input from DAODAS and the division that is administered by authorized providers.

 (12) "Provider" means an individual, partnership, corporation, or other legal entity authorized by the department that offers and administers a program.

 Section 61-3-110. (A) An entity may not qualify for the liquor liability mitigation program pursuant to Section 61-2-145(E)(2) unless all employees who are employed as an alcohol server or a manager on permitted or licensed premises obtain, within one hundred twenty calendar days of employment, an alcohol server certificate pursuant to the provisions of this chapter. If a permittee or licensee functions or is employed as an alcohol server or manager on the permitted or licensed premises, then the permittee or licensee must also complete training on responsible alcohol server training and obtain an alcohol server certificate pursuant to the provisions of this chapter. An alcohol server shall not be mentally or physically impaired by alcohol, drugs, or controlled substances while serving alcohol.

 (B) Each permittee or licensee shall maintain at all times on its permitted or licensed premises copies of the alcohol server certificates of the permittee or licensee, if applicable, and the alcohol server certificates of each manager and each alcohol server then employed by the permittee or licensee. Copies of the alcohol server certificate must be made available, upon request, to the department, the division, or the agents and employees of each. For the purposes of enforcement of the provisions of this chapter, a permittee or licensee must also make available to the department or the division, when requested, the hire date of an alcohol server.

 (C) Failure to produce a copy of an alcohol server certificate when an alcohol server has been employed for one hundred twenty calendar days subjects the permittee or licensee to noncompliance with Section 61-2-145(E).

 Section 61-3-120. (A)(1) The department, in collaboration with DAODAS and the division, is authorized to approve alcohol server training programs, based on best evidence practice standards, offered by providers. A program that has not received approval within sixty days from submission shall be considered denied. A provider may appeal denial pursuant to Section 61-2-260 and the South Carolina Administrative Procedures Act.

 (2) A provider must provide alcohol server training programs to all applicable individuals free of charge.

 (B) The curricula of each program must include the following subjects:

 (1) state laws and regulations pertaining to:

 (a) the sale and service of alcoholic beverages;

 (b) the permitting and licensing of sellers of alcoholic beverages;

 (c) impaired driving or driving under the influence of alcohol or drugs;

 (d) liquor liability issues;

 (e) the carrying of concealed weapons by authorized permit holders into businesses selling and serving alcoholic beverages; and

 (f) life consequences, such as the loss of education scholarships, to minors relating to the unlawful use, transfer, or sale of alcoholic beverages;

 (2) the effect that alcohol has on the body and human behavior including, but not limited to, its effect on an individual's ability to operate a motor vehicle when intoxicated;

 (3) information on blood alcohol concentration and factors that change or alter blood alcohol concentration;

 (4) the effect that alcohol has on an individual when taken in combination with commonly used prescription or nonprescription drugs or with illegal drugs;

 (5) information on recognizing the signs of intoxication and methods for preventing intoxication;

 (6) methods of recognizing problem drinkers and techniques for intervening with and refusing to serve problem drinkers;

 (7) methods of identifying and refusing to serve or sell alcoholic beverages to individuals under twenty-one years of age and intoxicated individuals;

 (8) methods for properly and effectively checking the identification of an individual, for identifying illegal identification, and for handling situations involving individuals who have provided illegal identification;

 (9) South Carolina law enforcement information; and

 (10) other topics related to alcohol server education and training designated by the department, in collaboration with DAODAS and the division, to be included.

 (C) The department shall approve only online designed training programs that meet each of the following criteria:

 (1) a program must cover the content specified in subsection (B);

 (2) the content in a program must clearly identify and focus on the knowledge, skills, and abilities needed to responsibly serve alcoholic beverages and must be developed using best practices in instructional design and exam development to ensure that the program is fair and legally defensible;

 (3) a program shall be offered online;

 (4) online training must be at least four hours, be available in English and Spanish, and include a test;

 (5) online or computer-based training programs must use linear navigation that requires the completion of a module before the course proceeds to the next module, with no content omitted; be interactive; have audio for content; and include a test;

 (6) training and testing must be conducted online. All tests must be monitored by an online proctor. A passing grade for a test, as provided by the program, is required; and

 (7) training certificates are issued by the provider only after training is complete and a test has been passed successfully.

 (8) Within ten business days after a training is completed, each provider must give to the department a report of all individuals who have successfully completed the training and testing. The provider must also maintain these records for at least five years following the end of the training program for purposes of verifying certification validity by the department or the division.

 (D) The department, in collaboration with DAODAS and the division, may suspend or revoke the authorization of a provider that the department determines has violated the provisions of this chapter. If a provider's authorization is suspended or revoked, then that provider must cease operations in this State immediately and refund any money paid to it by individuals enrolled in that provider's program at the time of the suspension or revocation.

 Section 61-3-130. (A) The provider of a program that is authorized by the department must pay a fee, in an amount to be determined by the department, not to exceed five hundred dollars per year, renewable each year. State agency providers are exempt from payment. Each fee shall be deposited into the Responsible Alcohol Server Training Fund to assist with the costs associated with implementation and enforcement of the provisions of this chapter.

 (B) The Responsible Alcohol Server Training Fund is a revolving fund, and no funds deposited therein shall revert to the general fund of the state treasury.

 (C) On or before the second Tuesday of each year, the department, with the assistance of the division, must make a report of all income and expenditures made from the Responsible Alcohol Server Training Fund as of December thirty-first of the previous year. A copy of the report shall be given to the Governor, the Speaker of the House of Representatives, and the President of the Senate; posted on the websites of the department and the division; and recorded in the journals of each body of the General Assembly at the beginning of each legislative year.

 Section 61-3-140. (A)(1) The department must issue an alcohol server certificate to each applicant who completes an approved program or a recertification program and who provides other information as may be required by the department in an application form that is available on the department's website. A person must apply for an alcohol server certificate within six months of completing a program. The department, if circumstances warrant the issuance of a temporary alcohol server certificate, may issue a temporary alcohol server certificate that is valid for a period of not more than thirty calendar days.

 (2) The department, in collaboration with DAODAS and the division, may issue an alcohol server certificate to an individual from out of the State who applies for an alcohol server certificate if the individual has an alcohol server certificate from a nationally recognized or comparable, state-recognized alcohol server certification program that the department, DAODAS, and the division find meets or exceeds the programs offered in this State.

 (B) Alcohol server certificates shall not be issued to graduates of programs that are not approved by the department.

 (C) An alcohol server certificate is the property of the individual to whom it is issued and is transferrable among employers.

 (D) Alcohol server certificates are valid for a period of five years from the date that the alcohol server certificate was issued. After the five-year period, a new or recertified alcohol server certificate must be obtained pursuant to the provisions of this chapter.

 (E) Upon expiration of an alcohol server certificate, the individual to whom the alcohol server certificate was issued may obtain recertification in accordance with regulations promulgated by the department and approved by the General Assembly.

 (F) The department must issue and renew alcohol server certificates for all qualifying applicants free of charge.

 (G) An applicant must be deemed to be a qualifying applicant for the purpose of alcohol server certificate issuance and renewal if they have successfully completed all training and testing requirements as found in Section 61-3-120.

 Section 61-3-150. As a requirement for application or renewal of a permit or license for on-premises consumption under Chapter 4, Title 61 or Chapter 6, Title 61, a permittee or licensee for on-premises consumption seeking to utilize Section 61-2-145(E) must submit to the department proof that the permittee or licensee, if applicable, and each manager and alcohol server employed by the permittee or licensee during the upcoming or prior permit or license period have or have held valid alcohol server certificates at all times that alcoholic beverages were sold, served, or dispensed.

 Section 61-3-160. The division and the department are responsible for enforcement of the provisions of this chapter. The department is responsible for bringing administrative actions for violations of the provisions of this chapter or related regulations, and those actions shall proceed according to the provisions of Section 61-2-260 and the South Carolina Administrative Procedures Act.

SECTION 5. Section 61-6-2220 of the S.C. Code is amended to read:

 Section 61-6-2220. A person or establishment licensed to sell alcoholic liquors or liquor by the drink pursuant to this article may not knowingly sell these beverages to persons in an intoxicated condition; these sales are considered violations of the provisions thereof and subject to the penalties contained herein.

SECTION 6. This act takes effect upon approval by the Governor.

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