**A** **BILL**

TO AMEND SECTION 15‑48‑10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO VALIDITY OF ARBITRATION AGREEMENTS AND EXCEPTIONS FROM OPERATION OF THE CHAPTER, SO AS TO PROVIDE THAT CERTAIN ARBITRATION CLAUSES CONTAINED IN ADHESION CONTRACTS WITH CONSUMERS ARE VOID, UNENFORCEABLE, AND SEVERABLE FROM THE REMAINING TERMS OF A CONTRACT.

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

SECTION 1. Section 15‑48‑10 of the 1976 Code is amended to read:

“Section 15‑48‑10. (a) A written agreement to submit any existing controversy to arbitration or a provision in a written contract to submit to arbitration any controversy thereafter arising between the parties is valid, enforceable and irrevocable, save upon such grounds as exist at law or in equity for the revocation of any contract. Notice that a contract is subject to arbitration pursuant to this chapter shall be typed in underlined capital letters, or rubber‑stamped prominently, on the first page of the contract and unless such notice is displayed thereon the contract shall not be subject to arbitration.

(b) This chapter however shall not apply to:

(1) Any agreement or provision to arbitrate in which it is stipulated that this chapter shall not apply or to any arbitration or award thereunder;

(2) Arbitration agreements between employers and employees or between their respective representatives unless the agreement provides that this chapter shall apply; provided, however, that notwithstanding any other provision of law, employers and employees or their respective representatives may not agree that workmen’s compensation claims, unemployment compensation claims and collective bargaining disputes shall be subject to the provisions of this chapter and any such provision so agreed upon shall be null and void. An agreement to apply this chapter shall not be made a condition of employment.

(3) A pre‑agreement entered into when the relationship of the contracting parties is such that of lawyer‑client or doctor‑patient and the term ‘doctor’ shall include all those persons licensed to practice medicine pursuant to Chapters 9, 15, 31, 37, 47, 51, 55, 67 and 69 of Title 40 of the 1976 Code.

(4) Any claim arising out of personal injury, based on contract or tort, or to any insured or beneficiary under any insurance policy or annuity contract.

(5) Arbitration clauses contained in adhesion contracts are void ab initio when a consumer had no meaningful choice in negotiating the terms of the arbitration agreement or the agreement did not provide a guaranteed benefit to the consumer. An arbitration clause described in this section is unenforceable and severable from the remaining terms of the contract.”

SECTION 2. The repeal or amendment by this act of any law, whether temporary or permanent or civil or criminal, does not affect pending actions, rights, duties, or liabilities founded thereon, or alter, discharge, release or extinguish any penalty, forfeiture, or liability incurred under the repealed or amended law, unless the repealed or amended provision shall so expressly provide. After the effective date of this act, all laws repealed or amended by this act must be taken and treated as remaining in full force and effect for the purpose of sustaining any pending or vested right, civil action, special proceeding, criminal prosecution, or appeal existing as of the effective date of this act, and for the enforcement of rights, duties, penalties, forfeitures, and liabilities as they stood under the repealed or amended laws.

SECTION 3. This act takes effect upon approval by the Governor.

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