~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED

May 7, 2019

**H. 3755**

Introduced by Reps. Sandifer, Spires and Anderson

S. Printed 5/7/19--S.

Read the first time March 20, 2019.

**A** **BILL**

TO AMEND SECTION 38‑77‑30, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS APPLICABLE TO AUTOMOBILE INSURANCE COVERAGE, SO AS TO REMOVE CERTAIN REQUIREMENTS FOR THE RENEWAL OF AN AUTOMOBILE COVERAGE POLICY AND TO DEFINE THE TERM “REDUCTION IN COVERAGE”; AND TO AMEND SECTION 38‑77‑120, RELATING TO NOTICE REQUIREMENTS FOR CANCELLATION OR THE REFUSAL TO RENEW A POLICY, SO AS TO ALLOW FOR AN INSURER TO RENEW A POLICY WITH A REDUCTION IN COVERAGE AND TO PROVIDE CERTAIN REQUIREMENTS FOR THE REDUCTION IN COVERAGE.

Amend Title To Conform

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

SECTION 1. Section 38‑77‑30(12) of the 1976 Code is amended to read:

“(12) ‘Renewal’ or ‘to renew’ means the issuance and delivery by an insurer of a policy superseding at the end of the policy period a policy previously issued and delivered by the same insurer~~, the renewal policy to provide types and limits of coverage at least equal to those contained in the policy being superseded,~~ or the issuance and delivery of a certificate or notice extending the terms of a policy beyond its policy period or term ~~with types and limits of coverage at least equal to those contained in the policy being extended~~. However, any policy with a policy period or term of less than six months or any period with no fixed expiration date is considered as if written for successive policy periods or terms of six months.

(12.5) ‘Reduction in coverage’ means a change made by the insurer which results in a removal of coverage, diminution in scope or less coverage, or the addition of an exclusion. Reduction in coverage does not include any change, reduction, or elimination of coverage made at the request of the insured. The correction of a typographical or scrivener’s error or the application of mandated legislative changes may not be considered a reduction in coverage.”

SECTION 2. Section 38‑77‑120(b) of the 1976 Code is amended to read:

“(b) Subsection (a) does not apply if the:

(1) insurer has manifested to the insured its willingness to renew or to renew with a reduction in coverage by actually issuing or offering to the insured to issue a renewal policy, certificate, or other evidence of renewal, or has manifested such intention to the insured by any other means provided that in the case of a reduction in coverage, the insurer provides notice of a reduction in coverage to the named insured in a separate document entitled the ‘Notice of Reduction in Coverage’ no less than fifteen days prior to the effective date of the renewal that includes the proposed reduction in coverage. This notice must:

(i) inform the insured of the reduction or elimination by the coverage section in the renewal policy or certificate; and

(ii) provide that it is a notice of coverage changes.

The Notice of Reduction in Coverage does not amend, extend, or alter coverage provided in a policy. An insurer’s Notice of Reduction in Coverage must be provided to the director or his designee upon request when investigating a consumer complaint or when otherwise requested. The director or his designee may direct the insurer to provide the renewal without the reduction in coverage if the insurer fails to meet the requirements of this section. The director or his designee may issue guidance to an insurer or to the industry regarding the form and contents of the Notice of Reduction in Coverage in response to consumer inquiries or complaints;

(2) named insured has demonstrated by some overt action to the insurer or its agent that he expressly intends that the policy be canceled or that it not be renewed.”

SECTION 3. Section 1-3-210 of the 1976 Code is amended to read:

“Section 1-3-210. (A)(1) ~~During the recess of the Senate, vacancy which occurs in an~~ If an office filled by an appointment of the Governor with the advice and consent of the Senate becomes vacant during the interim period between regular legislative sessions, then the office may be filled by an interim appointment of the Governor only if the Governor acts to fill the office during the same interim period during which the office became vacant. The Governor must report the interim appointment to the Senate and must forward a formal appointment at its next ensuing regular session. If the Senate votes to reject an interim appointee’s formal appointment during the next ensuing regular session then the office is immediately vacant and may not be filled by another interim appointment.

(2) If the Senate does not advise and consent ~~thereto~~ to the formal appointment prior to ~~sine die adjournment~~ the second Thursday in May following the interim period during which the interim appointment was made ~~of the next ensuing regular session~~, the office shall be vacant and the interim appointment shall not serve in hold over status notwithstanding any other provision of law to the contrary. The Governor may not make a subsequent interim appointment for the same vacancy. ~~A subsequent interim appointment of a different person to a vacancy created by a failure of the Senate to grant confirmation to the original interim appointment shall expire on the second Tuesday in January following the date of such subsequent interim appointment and the office shall be vacant.~~

(B) The Governor’s authority to make an interim appointment pursuant to subsection (A) terminates when the General Assembly convenes the regular legislative session following the interim period between regular legislative sessions during which the office became vacant.”

SECTION 4. Article 5, Chapter 3 of Title 1 of the 1976 Code is amended by adding:

“Section 1-3-211. (A) If a vacancy exists in the head of an agency that requires appointment by the Governor with the advice and consent of the Senate, the Governor may designate an employee of the agency as the acting head of the agency if the person designated was employed by the agency for at least twelve consecutive months prior to the date upon which the vacancy occurred. A person designated as an acting agency head pursuant to this subsection may serve as the acting agency head no longer than the second Thursday in May following date upon which the vacancy occurred.

(B)(1) A person nominated by the Governor to head an agency that requires the advice and consent of the Senate who did not receive the advice and consent of the Senate, or whose nomination was withdrawn, may not be designated by the Governor as the acting head of the agency to which the person was nominated.

(2) A person nominated by the Governor to head an agency that requires the advice and consent of the Senate who also had been previously designated as the acting head of the agency who did not receive the advice and consent of the Senate, or whose nomination was withdrawn, may no longer exercise any authority or duties of that agency.”

SECTION 5. This act takes effect upon approval by the Governor

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