**A** **BILL**

TO AMEND CHAPTER 31, TITLE 56 OF THE 1976 CODE, RELATING TO THE RENTAL OF PRIVATE PASSENGER AUTOMOBILES, BY ADDING SECTION 56-31-70, TO PROVIDE THAT 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 A MOTOR VEHICLE INSURANCE POLICY IN WHICH THE NAME INSURED IS A RENTAL COMPANY OR AFFILIATE OF THE RENTAL COMPANY, A QUALIFIED SELF-INSURER, AND A BOND POSTED BY A RENTAL COMPANY OR AN AFFILIATE OF THE RENTAL COMPANY FOR THE PURPOSE OF COMPLYING WITH FINANCIAL RESPONSIBILITY.

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

SECTION 1. Chapter 31, Title 56 of the 1976 Code is amended by adding:

“Section 56-31-70. (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 name 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 2. This act takes effect upon approval by the Governor.

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