~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 23, 2015

**S. 666**

Introduced by Senator Hayes

S. Printed 4/23/15--S.

Read the first time April 15, 2015.

**THE COMMITTEE ON BANKING AND INSURANCE**

To whom was referred a Bill (S. 666) to amend Section 38‑39‑70, Code of Laws of South Carolina, 1976, relating to matters that may be included in premium service agreements, so as to, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

ROBERT W. HAYES, JR. for Committee.

**A** **BILL**

TO AMEND SECTION 38‑39‑70, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO MATTERS THAT MAY BE INCLUDED IN PREMIUM SERVICE AGREEMENTS, SO AS TO PROVIDE THESE AGREEMENTS ALSO MAY INCLUDE INTEREST ON MITIGATION LOANS AS APPROVED BY THE DIRECTOR OF THE DEPARTMENT OF INSURANCE OR HIS DESIGNEE AND TO PROVIDE INTEREST CHARGES RELATED TO MITIGATION PROJECTS OR LOANS MUST BE LIMITED TO THE STATUTORY LEGAL RATE OF INTEREST; AND TO AMEND SECTION 38‑39‑80, RELATING TO ACTIVITIES PROHIBITED OF INSURANCE PREMIUM SERVICE COMPANIES, SO AS TO PROVIDE INSURANCE PREMIUM SERVICE COMPANIES MAY NOT WRITE INSURANCE OR SELL OTHER SERVICES OR COMMODITIES IN CONNECTION WITH A PREMIUM SERVICE CONTRACT EXCEPT AS APPROVED BY THE DIRECTOR OR HIS DESIGNEE FOR MITIGATION PURPOSES.

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

SECTION 1. Section 38‑39‑70(c) of the 1976 Code is amended to read:

“(c) A premium service contract may include policy premiums, policy fees, agent commissions and fees, premium taxes, inspection fees, charges for motor vehicle (driving record) or property charges and claims history reports, and other automobile related services. All amounts must be disclosed on the premium service agreement. It also may include interest on mitigation loans as approved by the director or his designee. Any interest charges related to mitigation projects or loans must be limited to the legal rate of interest as set forth in Section 34‑31‑20(B).”

SECTION 2. Section 38‑39‑80(a) of the 1976 Code is amended to read:

“(a) A premium service company may not write any insurance or sell any other service or commodity in connection with a premium service contract, except as approved by the director or his designee for mitigation purposes.”

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

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