




# South Carolina Department of Insurance

HENRY McMASTER  
Governor

RAYMOND G. FARMER  
Director

## BULLETIN NUMBER 2017-04

TO: All Insurers and Producers Licensed to Transact Liability Insurance in the State of South Carolina

FROM: Raymond G. Farmer  
Director of Insurance 

SUBJECT: Recent Legislative Changes Affecting Insurers Writing Liquor Liability and General Liability Insurance Coverages  
2017 S.C. Act No. 45 (Act No. 45)

DATE: July 6, 2017

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### I. PURPOSE

The purpose of this bulletin is to notify insurers writing liquor liability and general liability insurance coverages of a recent legislative change. A copy of the 2017 S.C. Act No. 45 is attached to this bulletin.

### II. SUMMARY OF ACT NO. 45 (R. 66, S. 116)

Effective July 1, 2017, the Act adds a new Section 61-2-145, which requires all persons open after 5:00 p.m. that are permitted to sell alcoholic beverages for on-premises consumption to maintain a liquor liability or general liability insurance policy with a liquor liability endorsement providing "total coverage of at least one million dollars." Any person applying for a *new* biennial permit or license for on-premises consumption under Title 61 after July 1, 2017 must comply with the provisions of Section 61-2-145 at the time of the application. Any person *renewing* a biennial permit or license under Title 61 after this date must comply with the provisions of this Act at the time of the renewal.

Insurers writing such coverage are required to notify the South Carolina Department of Revenue (DOR) "in a manner prescribed by [DOR] regulation" of the lapse or termination of the insurance policy or endorsement. *See* S.C. Code Ann. § 61-2-145(C).

### III. QUESTIONS

The South Carolina Department of Insurance does not anticipate any significant impact on liquor or general liability insurance forms or rates as a result of this legislative change. Therefore, questions about the reporting requirement should be directed to the attention of the South Carolina Department of Revenue's Alcohol Beverage Licensing Division at (803) 898-5864.

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*Bulletins are the method by which the Director of Insurance formally communicates with persons and entities regulated by the Department. Bulletins are Departmental interpretations of South Carolina insurance laws and regulations and provide guidance on the Department's enforcement approach. Bulletins do not provide legal advice. Readers should consult applicable statutes and regulations or contact an attorney for legal advice or for additional information on the impact of that legislation on their specific situation.*

**South Carolina General Assembly**  
122nd Session, 2017-2018

**A45, R66, S116**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Rankin and Malloy

Document Path: I:\s-jud\bills\rankin\jud0020.kw.docx

Companion/Similar bill(s): 3932

Introduced in the Senate on January 10, 2017

Introduced in the House on March 22, 2017

Last Amended on March 16, 2017

Passed by the General Assembly on May 11, 2017

Governor's Action: May 19, 2017, Signed

Summary: Alcohol license requirements

**HISTORY OF LEGISLATIVE ACTIONS**

Date	Body	Action Description with journal page number
12/13/2016	Senate	Prefiled
12/13/2016	Senate	Referred to Committee on <b>Judiciary</b>
1/10/2017	Senate	Introduced and read first time ( <a href="#">Senate Journal-page 68</a> )
1/10/2017	Senate	Referred to Committee on <b>Judiciary</b> ( <a href="#">Senate Journal-page 68</a> )
1/26/2017	Senate	Referred to Subcommittee: Shealy (ch), Hutto, Senn
2/23/2017	Senate	Committee report: Favorable with amendment <b>Judiciary</b> ( <a href="#">Senate Journal-page 16</a> )
2/28/2017		Scrivener's error corrected
3/16/2017	Senate	Committee Amendment Adopted
3/16/2017	Senate	Amended ( <a href="#">Senate Journal-page 22</a> )
3/16/2017	Senate	Read second time ( <a href="#">Senate Journal-page 22</a> )
3/16/2017	Senate	Roll call Ayes-40 Nays-2 ( <a href="#">Senate Journal-page 22</a> )
3/17/2017		Scrivener's error corrected
3/21/2017	Senate	Read third time and sent to House ( <a href="#">Senate Journal-page 14</a> )
3/22/2017	House	Introduced and read first time ( <a href="#">House Journal-page 10</a> )
3/22/2017	House	Referred to Committee on <b>Judiciary</b> ( <a href="#">House Journal-page 10</a> )
5/3/2017	House	Committee report: Favorable with amendment <b>Judiciary</b> ( <a href="#">House Journal-page 63</a> )
5/9/2017	House	Requests for debate-Rep(s). Pitts, Bannister, Clary, Hiott, Magnuson, DC Moss, Long, Hamilton, GR Smith, Chumley, Loftis, McEachern, Douglas, Crawford, Thigpen, Ott, Thayer, West, Hill, King, Hart, McKnight, Crosby, Anderson ( <a href="#">House Journal-page 72</a> )
5/10/2017	House	Read second time ( <a href="#">House Journal-page 78</a> )
5/10/2017	House	Roll call Yeas-85 Nays-5 ( <a href="#">House Journal-page 79</a> )
5/11/2017	House	Read third time and enrolled
5/15/2017		Ratified R 66
5/19/2017		Signed By Governor
5/25/2017		Effective date See Act
5/31/2017		Act No. 45

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## **VERSIONS OF THIS BILL**

[12/13/2016](#)

[2/23/2017](#)

[2/28/2017](#)

[3/16/2017](#)

[3/17/2017](#)

[5/3/2017](#)

(A45, R66, S116)

**AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 61-2-145 SO AS TO REQUIRE THAT A PERSON PERMITTED OR LICENSED TO SELL BEER, WINE, OR ALCOHOLIC LIQUORS FOR ON-PREMISES CONSUMPTION SHALL MAINTAIN LIABILITY INSURANCE WITH COVERAGE OF AT LEAST ONE MILLION DOLLARS DURING THE PERIOD OF THE PERMIT OR LICENSE.**

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

**Alcoholic beverages, liability insurance coverage required, on-premises consumption**

SECTION 1. Chapter 2, Title 61 of the 1976 Code is amended by adding:

“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 coverage of at least one million dollars during the period of the biennial permit or license. Failure to maintain this coverage constitutes grounds for suspension or revocation of the permit or license.

(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.’”

**Time effective**

SECTION 2. This act takes effect on July 1, 2017, and any person applying for a new biennial permit or license for on-premises consumption under Title 61 after this date must comply with the provisions of this act at the time of the application. A person renewing a biennial permit or license under Title 61 after this date must comply with the provisions of this act at the time of the renewal.

Ratified the 15<sup>th</sup> day of May, 2017.

Approved the 19<sup>th</sup> day of May, 2017.

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