

TITLE 56.
MOTOR VEHICLES

CHAPTER 9
Motor Vehicle Financial Responsibility Act

ARTICLE 1
General Provisions

SECTION 56-9-10. Short title.

This chapter may be cited as the “Motor Vehicle Financial Responsibility Act”.

HISTORY: 1962 Code Section 46-701; 1952 (47) 1853; 1974 (58) 2718.

SECTION 56-9-20. Definitions.

The following words and phrases when used in this chapter shall, for the purposes of this chapter have the meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

(1) “Insured motor vehicle”: A motor vehicle as to which there is bodily injury liability insurance and property damage liability insurance, meeting all of the requirements of item (7) of this section, or as to which a bond has been given or cash or securities delivered in lieu of such insurance or as to which the owner has qualified as a self-insurer in accordance with the provisions of Section 56-9-60;

(2) “Judgment”: Any judgment which shall have become final by expiration without appeal of the time within which an appeal might have been perfected or by final affirmation on appeal, rendered by a court of competent jurisdiction of any state of the United States, upon a cause of action arising out of the ownership, maintenance or use of any motor vehicle, for damages, including damages for care and loss of service, because of bodily injury to or death of any person or for damages because of injury to or destruction of property, including the loss of use thereof, or upon a cause of action on an agreement of settlement for such damages;

(3) “License”: Any license, temporary instruction permit or temporary license issued under the laws of this State pertaining to the licensing of persons to operate vehicles;

(4) “Motor vehicle”: Every self-propelled vehicle which is designed for use upon a highway, including trailers and semitrailers designed for use with such vehicles but excepting traction engines, road rollers, farm tractors, tractor cranes, power shovels, mopeds, and well drillers, and every vehicle which is propelled by electric power obtained from overhead wires but not operated upon rails;

(5) “Motor vehicle liability policy”: An owner’s or an operator’s policy of liability insurance that fulfills all the requirements of Sections 38-77-140 through 38-77-230, certified as provided in Section 56-9-550 or 56-9-560 as proof of financial responsibility and issued, except as otherwise provided in Section 56-9-560, by an insurance carrier duly authorized to transact business in this State, to or for the benefit of the person or persons named therein as insured, and any other person, as insured, using the vehicle described therein with the express or implied permission of the named insured, and subject to the following special conditions:

(a) Contents of motor vehicle liability policy. The motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium

charged therefor, the policy period, and the limits of liability and shall contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this chapter as respects bodily injury and death or property damage, or both, and is subject to all of the provisions of this chapter.

(b) Provisions deemed incorporated in such policy. Every motor vehicle liability policy is subject to the following provisions, which need not be contained therein:

(1) The liability of the insurance carrier with respect to the insurance required by this chapter shall become absolute whenever injury or damage covered by the motor vehicle liability policy occurs;

(2) The policy may not be cancelled or annulled as to the liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage;

(3) No Statement made by the insured or on his behalf and no violation of the policy shall defeat or void the policy;

(4) The satisfaction by the insured of a judgment for the injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of the injury or damage;

(5) The insurance carrier shall have the right to settle any claim covered by the policy, and if the settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in Section 38-77-140; and

(6) The policy, written application therefor, if any, and any rider or endorsement which does not conflict with the provisions of this chapter shall constitute the entire contract between the parties.

(c) What policy need not cover. The motor vehicle liability policy need not insure any liability under the Workers' Compensation Law nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance, or repair of the motor vehicle, nor any liability for damage to property owned by, rented to, in charge of, or transported by the insured.

(d) Additional coverage permitted. Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy and the excess or additional coverage shall not be subject to the provisions of this chapter. With respect to a policy which grants this excess or additional coverage, the term "motor vehicle liability policy" shall apply only to that part of the coverage which is required by this article.

(e) Additional permissible provisions. Any motor vehicle liability policy may provide:

(1) That the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this chapter; and

(2) For the prorating of the insurance thereunder with other valid and collectible insurance.

(f) Requirements may be met by several policies. The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers which policies together meet such requirements.

(g) Legal binder deemed to meet requirements. Any legal binder issued pending the issuance of a motor vehicle liability policy shall be considered as fulfilling the requirements for such policy.

(h) Notice required to cancel certified policy; cancellation by subsequent policy. When an insurance carrier has certified a motor vehicle liability policy under Sections 56-9-550 or 56-9-560, the insurance so certified shall not be cancelled or terminated until at least ten days after a notice of cancellation or termination of the insurance certified shall be filed with the Department of Motor Vehicles, except that a policy subsequently procured and certified shall at 12:01 A. M., on the effective date of its certification, terminate the insurance previously certified with respect to any motor vehicle designated in both certificates.

(i) Other required policies unaffected. This chapter shall not be held to apply to or affect policies of automobile insurance against liability insuring public carriers or policies which may be required by any other law of this State, any law or ordinance of any municipality or any law or regulation of the United States or any of its agencies, and those policies, if they contain an agreement or are endorsed to conform with the requirements of this chapter, may be certified as proof of financial responsibility under this chapter.

(j) Chapter inapplicable to policies covering use by employees, etc., of vehicles not owned by insured. This chapter shall not be held to apply to or affect policies insuring solely the insured named in the policy against liability resulting from the maintenance or use by the persons in the insured's employ or on his behalf of motor vehicles not owned by the insured;

(6) "Nonresident": Every person who is not a resident of this State;

(7) "Nonresident operating privilege": The privilege conferred upon a nonresident by the laws of this State pertaining to the operation by him of a motor vehicle or the use of a motor vehicle owned by him in this State;

(8) "Operator": Every person who is in actual physical control of a motor vehicle, whether or not licensed as an operator or chauffeur under the laws of this State;

(9) "Owner": A person who holds the legal title of a motor vehicle, or, in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee or in the event a mortgagor of a vehicle is entitled to possession, then the conditional vendee or lessee or mortgagor shall be considered the owner for the purposes of this chapter;

(10) "Person": Every natural person, firm, copartnership, association or corporation;

(11) "Proof of financial responsibility": Proof of ability to respond to damages for liability, as provided in Section 38-77-150, or, on account of accidents occurring after the effective date of this proof, arising out of the ownership, maintenance, or use of a motor vehicle in the amount of twenty-five thousand dollars because of bodily injury to or death of one person in any one accident and, subject to this limit for one person, in the amount of fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident and in the amount of twenty-five thousand dollars because of injury to or destruction of property of others in any one accident;

(12) "Registration": Registration certificates and registration or license plates issued under the laws of this State pertaining to the license and registration of motor vehicles;

(13) "State": Any state, territory or possession of the United States, the District of Columbia or any province of the Dominion of Canada; and

(14) "Uninsured motor vehicle": Any motor vehicle which is not an insured motor vehicle as defined in item (3) of this section.

(15) "Uninsured Motorist Fund" means a fund established for fees collected by the director of the Department of Motor Vehicles from registration of uninsured vehicles.

HISTORY: 1962 Code Section 46-702; 1952 (47) 1853; 1959 (51) 567; 1963 (53) 523; 1977 Act No. 80 Section 1; 1986 Act No. 528, Section 12; 1987 Act No. 155, Sections 18-21; 1993 Act No. 181, Section 1472; 1996 Act No. 459, Section 246A; 1997 Act No. 154, Section 1; 2003 Act No. 73, Section 18; 2013 Act No. 47, Section 2, eff January 1, 2014.

SECTION 56-9-30. Chapter inapplicable to certain motor vehicles.

This chapter does not apply with respect to any motor vehicle owned by the United States, this State, or any political subdivision of this State or any municipality therein, nor, except for Section 56-9-590, does it apply with respect to any motor vehicle which is subject to other laws of this State which require their owners to carry insurance or to place security in a manner which would make those owners carry insurance or place security in addition to the amounts required by this chapter.

HISTORY: 1962 Code Section 46-704; 1952 (47) 1853; 1977 Act No. 80 Section 2; 1987 Act No. 155, Section 16.

SECTION 56-9-40. Rights of conditional vendors, chattel mortgagees, or lessors not affected.

This chapter shall not affect the rights of any conditional vendor, chattel mortgagee, or lessor of a motor vehicle registered in the name of another as owner who becomes subject to the provisions of this chapter.

HISTORY: 1962 Code Section 46-705; 1952 (47) 1853.

SECTION 56-9-50. Sale of vehicle when registration suspended not affected.

This chapter shall not prevent the owner of a motor vehicle, the registration of which has been suspended under this chapter, from effecting a bona fide sale of the motor vehicle to another person whose rights or privileges are not suspended under this chapter nor prevent the registration of the motor vehicle by the transferee.

HISTORY: 1962 Code Section 46-706; 1952 (47) 1853.

SECTION 56-9-60. Self-insurers for motor vehicles; determination of financial responsibility.

(A) A person or company who has more than twenty-five motor vehicles registered in his name may qualify as a self-insurer provided that the department is satisfied that the person or company is able to pay any judgments obtained against the person or company. Upon not less than ten days' notice, the department may issue a staff determination canceling self-insurer status when the requirements for the status no longer are met. The notice must provide that a person aggrieved by the staff determination may file a request for a contested case hearing with the Office of Motor Vehicle Hearings in accordance with its rules of procedure. The person or company must submit the following information to the department for it to determine financial responsibility:

(1) a copy of the applicant's latest financial statement prepared by a certified public accountant licensed to do business in South Carolina, indicating that the applicant has a positive net worth;

(2) a current list of all vehicles registered in applicant's name;

(3) the applicant's procedural guidelines for processing claims; and

(4) the applicant must have a net worth of at least twenty million dollars or the department may require the applicant to deposit in a segregated self-insured claims account the sum of three thousand dollars for each vehicle to be covered by the self-insurer's certificate. Eighty percent must be cash or an irrevocable letter of credit issued by a bank chartered in this State or a member bank of the federal reserve system, and the remaining twenty percent may be satisfied by the "quick sale" appraised value of real estate located in the State, as certified by a licensed appraiser. The three thousand dollar a vehicle amount may not decrease more than thirty percent in any given certificate year.

(B) A person or company that qualifies as a self-insurer, pursuant to this section, may issue certificates of insurance only on the vehicles registered in the applicant's name.

HISTORY: 1962 Code Section 46-709; 1952 (47) 1853; 1992 Act No. 492, Section 1; 1996 Act No. 331, Section 1; 2006 Act No. 241, Section 1, eff March 15, 2006; 2008 Act No. 279, Section 8, eff October 1, 2008.

SECTION 56-9-80. General penalties for violations of chapter.

Any person who shall violate any provision of this chapter, for which no penalty is otherwise provided, shall be fined not more than one hundred dollars or imprisoned for not more than thirty days.

HISTORY: 1962 Code Section 46-712; 1952 (47) 1853.

SECTION 56-9-90. Chapter as no bar to other remedies.

Nothing in this chapter shall be construed as preventing the plaintiff in any action at law from relying for relief upon the other processes provided by law.

HISTORY: 1962 Code Section 46-707; 1952 (47) 1853.

SECTION 56-9-100. Chapter is supplemental and cumulative.

This chapter shall in no respect be considered as a repeal of any other provision contained in this Title or the motor vehicle laws of this State but shall be construed as supplemental and cumulative thereto.

HISTORY: 1962 Code Section 46-708; 1952 (47) 1853; 1959 (51) 567.

SECTION 56-9-110. Retroactive application of chapter.

Reserved by 2017 Act No. 89, Section 28, effective November 19, 2018.

This chapter shall not apply with respect to any accident or judgment arising therefrom or violation of the motor vehicle laws of this State, occurring prior to January 1, 1953.

HISTORY: 1962 Code Section 46-713; 1952 (47) 1853.

SECTION 56-9-120. Construction.

This chapter shall be so interpreted and construed as to effectuate its general purpose to make uniform the laws of those states which enact substantially identical legislation.

HISTORY: 1962 Code Section 46-703; 1952 (47) 1853.

ARTICLE 3
Administration and Enforcement

SECTION 56-9-310. Repealed by 1996 Act No. 459, Section 246A, eff June 5, 1996.

SECTION 56-9-320. Repealed by 2006 Act No. 381, Section 11, eff. June 13, 2006.

SECTION 56-9-330. Department of Motor Vehicles shall furnish abstracts of operating records; abstracts inadmissible as evidence.

(1) The Department of Motor Vehicles, upon request and the payment of a fee, shall furnish any person a certified abstract of the operating record of any person subject to the provisions of this chapter, which abstract must also fully designate the motor vehicles, if any, registered in the name of that person, and, if there is no record of any conviction of that person for violating any laws relating to the operation of a motor vehicle or of any injury or damage caused by that person, the department shall so certify. The department, upon request and the payment of a reasonable fee, shall furnish a monthly listing by magnetic or other electronic media of all driver's license numbers that had driving violations posted on their records during the previous month. These abstracts are not admissible as evidence in any action for damages or criminal proceedings arising out of motor vehicle accidents.

(2) The department shall, upon request, and the payment of a fee furnish any person a copy of a vehicle accident report. Revenue generated by the fee imposed pursuant to this section must be placed by the Comptroller General into the State Highway Fund as established by Section 57-11-20, to be distributed as provided in Section 11-43-167.

HISTORY: 1962 Code Section 46-717; 1952 (47) 1853; 1976 Act No. 738 Section 9; 1985 Act No. 201, Part II, Section 57; 1989 Act No. 148, Section 2; 1996 Act No. 459, Section 216; 2016 Act No. 275 (S.1258), Section 77.A, eff July 1, 2016.

SECTION 56-9-340. Surrender of license and registration; failure to surrender.

Any person (a) whose license and registration has been suspended as provided in this chapter, (b) whose policy of insurance or bond, when required under this chapter, has been canceled or terminated, or (c) who has neglected to furnish other proof upon request of the Department of Motor Vehicles shall immediately return his license and registration to the department. If any person fails to return to the department his license or registration as provided in this section, the department may secure possession by a commissioned highway patrolman.

Any person wilfully failing to return his license or registration as required in this section must be fined not less than one hundred dollars nor more than two hundred dollars or imprisoned for thirty days and, upon conviction if a second offense, be fined two hundred dollars or imprisoned for thirty days, or both, and for a third and subsequent offenses must be imprisoned for not less than forty-five days nor more than six months.

Only convictions which occurred within five years including and immediately preceding the date of the last conviction constitute prior convictions within the meaning of this section.

HISTORY: 1962 Code Section 46-718; 1952 (47) 1853; 1988 Act No. 532, Section 20.

ARTICLE 4
Security Following Motor Vehicle Accidents

SECTION 56-9-350. Verification of insurance coverage form to be issued following certain accidents; effect of failure to return form; uninvestigated accidents.

The operator or owner of a motor vehicle involved in an accident resulting in property damage of four hundred dollars or more, or in bodily injury or death, must be furnished a written request form at the time of the accident, or as soon after the accident as possible, by the investigating officer for completion and verification of liability insurance coverage, the form to be in a manner prescribed by the Department of Motor Vehicles and the Department of Public Safety.

The completed and verified form must be returned by the operator or owner to the Department of Motor Vehicles within fifteen days from the date the form was delivered by the officer. Failure to return the form, verified in the proper manner, is prima facie evidence that the vehicle was uninsured.

The operator or owner of a motor vehicle involved in an accident resulting in property damage of four hundred dollars or more, or in bodily injury or death, which was not investigated by a law enforcement officer shall furnish to the Department of Motor Vehicles a written report and verification of liability insurance coverage, the proof to be in a manner prescribed by the Department.

HISTORY: 1978 Act No. 467 Section 1; 1988 Act No. 665, Section 2.

SECTION 56-9-351. Deposit of security by owner following accident; suspension of license, registrations, and notice.

Within sixty days of receipt of a report of a motor vehicle accident within this State which has resulted in bodily injury or death or damage to the property of any one person in the amount of two hundred dollars or more, the Department of Motor Vehicles shall suspend the license of each operator or driver if he is the owner of the motor vehicle involved in the accident and all registrations of each owner of a motor vehicle involved in the accident. If the operator or driver is a nonresident, the privilege of operating a motor vehicle within this State and the privilege of the use within this State of a motor vehicle owned by him is suspended unless the operator, driver or owner, or both, deposits security in a sum not less than two hundred dollars or an additional amount as the department may specify that will be sufficient to satisfy a judgment that may be recovered for damages resulting from the accident which may be recovered against the operator or owner. Notice of the suspension must be sent by the department to the operator and owner at least ten days before the effective date of the suspension and shall state the amount required as security.

HISTORY: 1978 Act No. 467 Section 1; 1992 Act No. 510, Section 1.

SECTION 56-9-352. Exceptions.

Section 56-9-351 shall not apply to any of the following:

(1) The operator or owner if the owner had in effect at the time of the accident an automobile liability policy with respect to the motor vehicle involved in the accident;

(2) The operator, if not the owner of the motor vehicle, if there was in effect at the time of the accident an automobile liability policy or bond with respect to his operation of motor vehicles not owned by him;

(3) The operator or owner if the liability of the operator or owner for damages resulting from the accident is, in the judgment of the Department of Motor Vehicles, covered by any other form of liability insurance policy or bond;

(4) Any person qualifying as a self-insurer under Section 56-9-60 of this chapter;

(5) The operator or owner of a motor vehicle involved in an accident wherein no injury or damage was caused to the person or property of any one other than such owner or operator;

(6) The owner of a motor vehicle if at the time of the accident the vehicle was being operated without his permission, express or implied, or was parked by a person who had been operating the motor vehicle without his permission, express or implied;

(7) If, before the date that the Department would otherwise suspend the license and registration or nonresident's operating privilege under Section 56-9-351, there shall be filed with the Department evidence satisfactory to it that the person who would otherwise have to file security (a) has been released from liability, (b) has been finally adjudicated not to be liable, (c) has executed a warrant for confession of judgment, payable when and in such installments as the parties have agreed to or (d) has executed a duly acknowledged written agreement, providing for the payment of an agreed amount in installments, with respect to all claims for injuries or damages resulting from the accidents;

(8) The owner of any legally parked vehicle when struck by another vehicle;

(9) Any person operating a motor vehicle owned by his employer while he is operating the vehicle in the scope of his employment.

HISTORY: 1978 Act No. 467 Section 1.

SECTION 56-9-353. Type and terms of policy or bond.

No policy or bond shall be effective under Sections 56-9-351 and 56-9-352 unless issued by an insurance company or surety company licensed and authorized by the South Carolina Department of Insurance to do business in this State, except that if the motor vehicle was not registered in this State or was a motor vehicle which was registered elsewhere than in this State at the effective date of the policy or bond or the most recent renewal thereof, the policy or bond shall not be effective under Sections 56-9-351 and 56-9-352 unless the insurance company or surety company if not authorized to do business in this State shall execute a power of attorney authorizing the Department of Motor Vehicles to accept service on its behalf of notice of process in any action upon the policy or bond arising out of the accident. Every policy or bond must be subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than twenty-five thousand dollars because of bodily injury to or death of one person in any one accident, and subject to this limit for one person, to a limit of not less than fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than twenty-five thousand dollars because of injury to or destruction of property of others in any one accident.

HISTORY: 1978 Act No. 467 Section 1; 2013 Act No. 47, Section 3, eff January 1, 2014.

SECTION 56-9-354. Conditions for renewal of suspended license, registration, and operating privilege.

The license and registration and nonresident's operating privilege suspended as provided in Section 56-9-351 shall, except as otherwise provided for in Section 56-9-361, remain suspended and shall not be renewed nor shall any license or registration be issued to him until:

(1) He shall deposit or there shall be deposited on his behalf the security required under Section 56-9-351;

(2) Two years shall have elapsed following the date of the accident and evidence satisfactory to the Department of Motor Vehicles has been filed with it that during that period no action for damages arising out of the accident has been instituted; or

(3) Evidence satisfactory to the Department has been filed with it of a release from liability, a final adjudication of nonliability, a warrant for confession of judgment or a duly acknowledged written agreement, in accordance with item (7) of Section 56-9-352; provided, however, in the event there shall be any default in the payment of any installment under any confession of judgment, then, upon notice of default, the Department shall suspend the license and registration or nonresident's operating privilege of the person defaulting, which shall not be restored until the entire amount provided for in confession of judgment has been paid; and provided, further, that in the event there shall be any default in the payment of any installment under any duly acknowledged written agreement, then, upon notice of default, the Department shall suspend the license and registration or nonresident's operating privilege of the person defaulting, which shall not be restored unless and until (a) he deposits and thereafter maintains security as required under Section 56-9-351 in the amount the Department may determine or (b) two years shall have elapsed following the date when the security was required and during that period no action upon the agreement has been instituted in a court in this State.

HISTORY: 1978 Act No. 467 Section 1.

SECTION 56-9-355. Driver or owner involved in accident may not obtain license or registration without compliance with article.

In the event the driver or the owner of a vehicle of a type subject to registration under the laws of this State, involved in an accident within this State, has no license or registration in this State, such driver shall not be allowed a license nor shall such owner be allowed to register any vehicle in this State until he has complied with the requirements of this article to the same extent that would be necessary if, at the time of the accident, he had held a license or been the owner of a vehicle registered in this State.

HISTORY: 1978 Act No. 467 Section 1.

SECTION 56-9-356. Transmittal of record of nonresident's suspension to officials in nonresident's state.

When a nonresident's operating privilege is suspended pursuant to Section 56-9-351 or 56-9-354, the Department of Motor Vehicles shall transmit a certified copy of the record of such action to the official in charge of the issuance of licenses and registration certificates in the state in which such nonresident resides, if the law of such other state provides for action in relation thereto similar to that provided for in Section 56-9-357.

HISTORY: 1978 Act No. 467 Section 1.

SECTION 56-9-357. Suspension of resident's license and registration upon notice of suspension in another state.

Upon receipt of such certification that the operating privilege of a resident of this State has been suspended or revoked in any such other state pursuant to a law providing for its suspension or revocation for failure to deposit security for the payment of judgments arising out of a motor vehicle accident under circumstances which would require the Department of Motor Vehicles to suspend a nonresident's operating privilege had the accident occurred in this State, the Department shall suspend the license of such resident if he was the driver and all of his registrations if he was the owner of a motor vehicle involved in such accident. Such suspension shall continue until such resident furnishes evidence of his compliance with the law of such other state relating to the deposit of such security.

HISTORY: 1978 Act No. 467 Section 1.

SECTION 56-9-358. Limit on security required; deposit.

The security required under this article shall be in the form and in the amount that the Department of Motor Vehicles may require but in no case in excess of the limits specified in Section 56-9-353 in reference to the acceptable limits of a policy or bond. The person depositing security shall specify in writing the person on whose behalf the deposit is made and, at any time while the deposit is in the custody of the Department or State Treasurer, the person depositing it may, in writing, amend the specifications of the persons on whose behalf the deposit is made to include additional persons; but a single deposit of security shall be applicable only on behalf of persons required to furnish security because of the same accident.

HISTORY: 1978 Act No. 467 Section 1.

SECTION 56-9-359. Reduction of amount of security.

The Department of Motor Vehicles may at any time reduce the amount of security ordered in any case if, in its judgment, the amount ordered is excessive. In case the security originally ordered has been deposited, the excess deposited over the reduced amount ordered shall be returned to the depositor or his personal representative, notwithstanding the provisions of Section 56-9-360. In no case shall the Department reduce the amount of security to a sum less than two hundred dollars.

HISTORY: 1978 Act No. 467 Section 1.

SECTION 56-9-360. Security to be in custody of State Treasurer; applications to which security may be put; return.

Security deposited in compliance with the requirements of this article shall be placed by the Department of Motor Vehicles in the custody of the State Treasurer and shall be applicable only to the payment of judgments rendered against the persons on whose behalf the deposit was made for damages arising out of the accident in question in an action at law begun not later than two years after the date of the accident or within two years after the date of deposit of any security under item (3) of Section 56-9-354, and this deposit or any balance thereof shall be returned to

the depositor or his personal representative when evidence satisfactory to the Department has been filed with it that there has been a release from liability, a final adjudication of nonliability, a warrant for confession of judgment or a duly acknowledged agreement, in accordance with item (7) of Section 56-9-352 or whenever, after the expiration of two years from the date of the accident or within two years after the date of deposit of any security under item (3) of Section 56-9-354, the Department shall be given reasonable evidence that there is no action pending and no judgment rendered in the action left unpaid.

HISTORY: 1978 Act No. 467 Section 1.

SECTION 56-9-361. Employment of suspended driver as operator of vehicle; employer's proof of financial responsibility.

Whenever any person whose license would otherwise have been suspended for failure to deposit security required pursuant to this article is, or later becomes, an operator in the employ of another owner, the Department of Motor Vehicles may in its discretion, notwithstanding any provisions in this chapter to the contrary, allow such person to retain his license to operate a vehicle of another owner, in the pursuit of such employment, if the employer-owner of the vehicle shall have furnished proof of financial responsibility covering the operation of any vehicle which such person may be permitted to operate. The Department shall designate the restrictions imposed pursuant to this section on that person's license.

HISTORY: 1978 Act No. 467 Section 1.

SECTION 56-9-362. Actions or findings of Department of Motor Vehicles and security as not constituting evidence of negligence.

Neither the action taken by the Department of Motor Vehicles pursuant to this article, the findings, if any, of the Department upon which action is based nor the security filed as provided in this article shall be referred to in any way or be any evidence of the negligence of due care of either party at the trial of any action at law to recover damages.

HISTORY: 1978 Act No. 467 Section 1.

SECTION 56-9-363. Forms and affidavits substantiating claims for damages; driver's license suspension hearings; appeals.

The Department of Motor Vehicles may in the administration of this article prescribe such form as it may deem necessary and require individuals to file sworn affidavits substantiating any claims for damages should the need arise. Any person whose driving privilege becomes subject to suspension or is suspended under the provisions of this article may request a contested case hearing with the Office of Motor Vehicle Hearings prior to the suspension or within thirty days after written notice of the suspension in order that he might prove that no reasonable possibility exists that a civil court might enter a judgment against him as a result of the accident in question. Any person aggrieved by the decision of the hearing officer following the hearing may file an appeal with the Administrative Law Court in accordance with its appellate rules.

HISTORY: 1978 Act No. 467 Section 1; 2006 Act No. 381, Section 9, eff June 13, 2006; 2008 Act No. 279, Section 9, eff October 1, 2008.

ARTICLE 5
Proof of Financial Responsibility

SECTION 56-9-410. Courts shall report nonpayment of judgments to Department of Motor Vehicles.

Whenever any person fails within sixty days to satisfy any judgment, it shall be the duty of the clerk of court, or of the judge of a court which has no clerk, in which any judgment is rendered within this State to forward to the Department of Motor Vehicles immediately after the expiration of sixty days a certified copy of the judgment.

HISTORY: 1962 Code Section 46-735; 1952 (47) 1853.

SECTION 56-9-420. Report to home state of nonpayment of judgment against nonresident.

If the defendant named in any certified copy of a judgment reported to the Department of Motor Vehicles is a nonresident, the Department shall transmit a certified copy of the judgment to the official in charge of the issuance of licenses and registration certificates of the state of which the defendant is a resident.

HISTORY: 1962 Code Section 46-736; 1952 (47) 1853.

SECTION 56-9-430. Suspension of driver's license or privilege and registration for nonpayment of judgment; special restricted driver's licenses.

(A) The Department of Motor Vehicles upon receipt of a certified copy of judgment shall suspend the license and registration and any nonresident's operating privilege of any person against whom the judgment was rendered, except as otherwise provided in Sections 56-9-440 to 56-9-460 and 56-9-490.

(B)(1) If a person is employed or enrolled in a college or university at any time while his driver's license is suspended pursuant to this section, he may apply for a special restricted driver's license permitting him to drive only to and from work or his place of education and in the course of his employment or education during the period of suspension. The department may issue the special restricted driver's license only upon a showing by the person that he is employed or enrolled in a college or university, and that he lives further than one mile from his place of employment or place of education.

(2) If the department issues a special restricted driver's license, it shall designate reasonable restrictions on the times during which and routes on which the person may operate a motor vehicle. A change in the employment hours, place of employment, status as a student, or residence must be reported immediately to the department by the licensee.

(3) The fee for each special restricted driver's license is one hundred dollars, but no additional fee is due because of changes in the place and hours of employment, education, or residence. Of this fee twenty dollars must be distributed to the general fund and eighty dollars must be placed by the Comptroller General into a special restricted account to be used by the Department of Motor Vehicles to defray the expenses of the Department of Motor Vehicles.

(4) The operation of a motor vehicle outside the time limits and route imposed by a special restricted license by the person issued that license is a violation of Section 56-1-460.

HISTORY: 1962 Code Section 46-737; 1952 (47) 1853; 1999 Act No. 115, Section 9; 2001 Act No. 79, Section 2.J.

SECTION 56-9-440. Suspension of driver's license or privilege and registration for nonpayment of judgment; exception when judgment creditor consents.

If the judgment creditor consents in writing, in the form which the Department of Motor Vehicles may prescribe, that the judgment debtor be allowed license and registration or nonresident's operating privilege, this may be allowed by the Department for six months from the date of the consent and thereafter until the consent is revoked in writing, notwithstanding default in the payment of the judgment or any installment thereof prescribed in Section 56-9-490, if the judgment debtor furnishes proof of financial responsibility.

HISTORY: 1962 Code Section 46-738; 1952 (47) 1853.

SECTION 56-9-450. Suspension of driver's license or privilege and registration for nonpayment of judgment; exception when insurance coverage proved.

Any person whose license, registration or nonresident's operating privilege has been suspended or is about to be suspended or shall become subject to suspension under the provisions of this article may be relieved from the effect of the judgment as prescribed in this article by filing with the Department of Motor Vehicles an affidavit stating that at the time of the accident upon which the judgment has been rendered the affiant was insured, that the insurer is liable to pay the judgment and the reason, if known, why the insurance company has not paid the judgment. He shall also file the original policy of insurance or a certified copy thereof, if available, and other documents which the Department may require to show that the loss, injury or damage for which the judgment was rendered was covered by the policy of insurance. If the Department is satisfied from these papers that the insurer was authorized to issue the policy of insurance at the time and place of issuing the policy and that the insurer is liable to pay the judgment, at least to the extent and for the amounts required in this chapter the Department shall not suspend the license or registration or nonresident's operating privilege or if already suspended shall reinstate them.

HISTORY: 1962 Code Section 46-739; 1952 (47) 1853.

SECTION 56-9-460. Permitting driver subject to suspension to operate vehicle of employer.

Whenever any person whose license would otherwise have been suspended for failure to satisfy a judgment as provided in Section 56-9-430 is, or later becomes, an operator in the employ of another owner, the Department of Motor Vehicles may in its discretion, notwithstanding any provisions in this chapter to the contrary, allow such person to retain his license to operate a vehicle of another owner in the pursuit of such employment, if the employer-owner of the vehicle shall have furnished proof of financial responsibility covering the operation of any vehicle which such person may be permitted to operate. The Department shall designate the restrictions imposed pursuant to this section on that person's license.

HISTORY: 1962 Code Section 46-740; 1952 (47) 1853.

SECTION 56-9-470. Suspension to continue until judgment paid and financial responsibility proved; effect of discharge in bankruptcy.

The license, registration and nonresident's operating privilege shall, except as otherwise provided in Section 56-9-460, remain suspended and shall not be renewed nor shall any license or registration be thereafter issued in the name of that person, including that person if not previously licensed, until every judgment is satisfied in full or to the extent provided in Section 56-9-480 and until the person gives proof of financial responsibility, subject to the exemptions stated in Sections 56-9-440 to 56-9-460 and 56-9-490.

A discharge in bankruptcy following the rendering of any judgment shall not relieve the judgment debtor from any of the requirements of this article.

HISTORY: 1962 Code Section 46-741; 1952 (47) 1853.

SECTION 56-9-480. Satisfaction of judgments; payments sufficient to satisfy requirements.

Judgments referred to in this article must, for the purpose of this article only, be considered satisfied:

(1) when twenty-five thousand dollars has been credited upon any judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident;

(2) when, subject to the limit of twenty-five thousand dollars because of bodily injury to or death of one person, the sum of fifty thousand dollars has been credited upon any judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident; or

(3) when twenty-five thousand dollars has been credited upon any judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

Payments made in settlement of any claims because of bodily injury, death, or property damage arising from a motor vehicle accident must be credited in reduction of the amounts provided for in this section.

HISTORY: 1962 Code Section 46-742; 1952 (47) 1853; 1959 (51) 567; 1987 Act No. 155, Section 7; 2013 Act No. 47, Section 4, eff January 1, 2014.

SECTION 56-9-490. Installment payment of judgment; effect of default.

A judgment debtor upon due notice to the judgment creditor may apply to the court in which the judgment was rendered for the privilege of paying the judgment in installments, and the court, in its discretion and without prejudice to any other legal remedies which the judgment creditor may have, may order and fix the amounts and times of payment of the installments.

The Department of Motor Vehicles shall not suspend a license, registration or nonresident's operating privilege and shall restore any license, registration or nonresident's operating privilege suspended following nonpayment of a judgment when the judgment debtor gives proof of financial responsibility and obtains an order permitting the payment of the judgment in installments and while the payment of any installment is not in default.

In the event the judgment debtor fails to pay any installment as specified by the order, then upon notice of the default the Department shall suspend the license, registration or nonresident's

operating privilege of the judgment debtor until the judgment is satisfied, as provided in this article.

HISTORY: 1962 Code Section 46-743; 1952 (47) 1853.

SECTION 56-9-500. Suspension of registration upon suspension or revocation of license; continuation of suspensions until financial responsibility proved.

Whenever the Department of Motor Vehicles, under any law of this State, suspends or revokes the license of any person upon receiving a record of conviction or forfeiture of bail and in all cases where the Department suspends or revokes the driver's license of any person under lawful authority possessed by the Department, except in those cases provided for in Section 56-1-270, in which case the license only shall be suspended and not the registration, the Department shall also suspend the registration for all motor vehicles registered in the name of that person, except that it shall not suspend the registration, unless otherwise required by law, if that person has previously given or shall immediately give and thereafter maintain proof of financial responsibility with respect to all motor vehicles registered by him. The license and registration shall remain suspended or revoked and shall not at any time thereafter be renewed nor shall any license be thereafter issued to that person nor shall any motor vehicle be thereafter registered in the name of that person until permitted under the motor vehicle laws of this State and not then until he shall give and thereafter maintain proof of financial responsibility.

When such responsibility is provided for under the provisions of Section 56-9-550, certification shall be furnished by the insurance company to the Department within fifteen days.

HISTORY: 1962 Code Section 46-744; 1952 (47) 1853; 1958 (50) 1662; 1962 (52) 1975; 1974 (58) 2718.

SECTION 56-9-505. Waiver of financial responsibility requirements upon proof of payment of property tax.

An individual whose driver's license or motor vehicle registration has been suspended for failure to pay property taxes may request that the Department of Motor Vehicle waive the financial responsibility requirements provided for in Chapter 9 of Title 56, upon providing proof to the department that such taxes have been paid.

HISTORY: 1996 Act No. 459, Section 217.

SECTION 56-9-510. Suspension or revocation of nonresident's operating privilege upon conviction to continue until financial responsibility proved.

Whenever the Department of Motor Vehicles suspends or revokes a nonresident's operating privilege by reason of a conviction or forfeiture of bail, this privilege shall remain suspended or revoked unless that person shall have previously given or shall immediately give and thereafter maintain proof of financial responsibility.

HISTORY: 1962 Code Section 46-745; 1952 (47) 1853.

SECTION 56-9-520. Denial of license or registration upon certain convictions until financial responsibility proved.

If a person is not licensed but by final order or judgment is convicted of or forfeits any bail or collateral deposited to secure an appearance for trial for any offense requiring the suspension or revocation of license, for operating a motor vehicle upon the highways without being licensed to do so or for operating an unregistered motor vehicle upon the highways, no license shall be thereafter issued to that person and no motor vehicle shall continue to be registered or thereafter be registered in his name until he shall give and thereafter maintain proof of financial responsibility.

HISTORY: 1962 Code Section 46-746; 1952 (47) 1853.

SECTION 56-9-530. Special exception for certain first convictions for driving without driver's license.

Notwithstanding any provision of law to the contrary, any person who has never been issued a license to operate a motor vehicle on the highways of the State of South Carolina and who has been convicted one time of operating a motor vehicle on the highways of the State without a license while driving an insured vehicle shall not, by reason of that fact alone, be required to prove financial responsibility.

In addition, any person who has his driving privilege revoked pursuant to Section 56-1-510 is not, by reason of that fact alone, required to furnish proof of financial responsibility.

HISTORY: 1962 Code Section 46-746.1; 1963 (53) 501; 1988 Act No. 559, Section 2.

SECTION 56-9-540. Methods of proving financial responsibility.

Proof of financial responsibility when required under this chapter may be given by filing:

- (1) A certificate of insurance as provided in Section 56-9-550 or Section 56-9-560;
- (2) A bond as provided in Section 56-9-570; or
- (3) A certificate of deposit of money or securities as provided in Section 56-9-580.

HISTORY: 1962 Code Section 46-747; 1952 (47) 1853.

SECTION 56-9-550. Certificate or notice of insurance as proof; contents, terms, and cancellation.

Proof of financial responsibility may be furnished by filing with the Department of Motor Vehicles the written certificate or notice by magnetic or electronic media in a manner satisfactory to the department of any insurance carrier authorized to do business in this State certifying that there is in effect a motor vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility. The certificate or notice shall give the date of the motor vehicle liability policy, which must be the same as the effective date of the certificate or notice and shall designate by explicit description or by appropriate reference all motor vehicles covered, unless the policy is issued to a person who is not the owner of a motor vehicle. The policy must be written for a minimum term of six months. A certificate or notice of insurance shall remain in full force and effect for a period of at least ninety days unless the certificate or notice is canceled by the insurance company for some reason other than nonpayment of premium. Should a certificate or notice of insurance be canceled after ninety days for nonpayment of premium, the insurance company issuing the certificate or notice immediately shall notify the department that the reason for cancellation is for nonpayment of premium.

Should a certificate or notice of insurance be canceled for any reason other than for nonpayment of premium, the insurance company issuing the certificate or notice immediately shall notify the department that the cancellation is not for nonpayment of premium. The department may refuse acceptance of the certificate or notice of insurance required under this section if the certificate or notice is filed:

- (1) by an agent or company found to be in violation of any of the provisions of this chapter; or
- (2) for a person who previously has had a certificate or notice canceled for nonpayment of premium, unless the policy under which the certificate or notice is issued is certified to be noncancellable for a period of one year for nonpayment of premium.

No motor vehicle may be or may continue to be registered in the name of a person required to file proof of financial responsibility unless the motor vehicle is designated in the certificate or notice.

HISTORY: 1962 Code Section 46-748; 1952 (47) 1853; 1959 (51) 567; 1977 Act No. 80 Section 3; 1992 Act No. 427, Section 1.

SECTION 56-9-560. Certificate of insurance as proof; certificate furnished by nonresident; effect of default by unauthorized insurer.

The nonresident owner of a motor vehicle not registered in this State may give proof of financial responsibility by filing with the Department of Motor Vehicles written certificates of an insurance carrier authorized to transact business in the state in which the motor vehicle or motor vehicles described in the certificate is registered or, if the nonresident does not own a motor vehicle, then in the state in which the insured resides, provided the certificate otherwise conforms with the provisions of this chapter, and the Department shall accept it upon condition that the insurance carrier complies with the following provisions with respect to the policies certified:

- (1) The insurance carrier shall execute a power of attorney authorizing the Department to accept service on its behalf of notice or process in any action arising out of a motor vehicle accident in this State; and
- (2) The insurance carrier shall agree in writing that the policies shall be construed to conform with the laws of this State relating to the terms of motor vehicle liability policies issued in this State.

If any insurance carrier not authorized to transact business in this State, which has qualified to furnish proof of financial responsibility, defaults in any of these undertakings or agreements, the Department shall not thereafter accept as proof any certificate of that carrier whether formerly filed or thereafter tendered as proof, so long as the default continues.

HISTORY: 1962 Code Section 46-749; 1952 (47) 1853.

SECTION 56-9-570. Bond as proof; qualifications of sureties; bond as lien on real estate of individual sureties; action on bond.

Proof of financial responsibility may be evidenced by the bond of a surety company duly authorized to transact business within this State or a bond with at least two individual sureties, each owning real estate within this State and together having equities equal in value to at least twice the amount of the bond, which real estate shall be scheduled in the bond approved by a judge of a court of record, which bond shall be conditioned for payment of the amounts specified

in item (13) of Section 56-9-20. The bond shall be filed with the Department of Motor Vehicles and shall not be cancelable except after ten days' written notice to the Department. The bond shall constitute a lien in favor of the State upon the real estate scheduled of any surety. Such lien shall exist in favor of any holder of a final judgment against the person who has filed the bond for damages, including damages for care and loss of services, because of bodily injury to or death of any person or for damage because of injury to or destruction of property, including the loss of use thereof, resulting from the ownership, maintenance, use or operation of a motor vehicle after the bond was filed, upon the filing of notice to that effect by the Department in the office of the proper clerk of court of the county or city where the real estate shall be located. Any surety scheduling real estate security shall furnish satisfactory evidence of title and the nature and extent of all encumbrances thereon and the value of the surety's interest therein in the manner which the judge of the court of record may require. The notice filed by the Department shall, in addition to other matters which are considered to be pertinent by the Department, contain a legal description of the real estate scheduled, the name of the holder of the record title, the amount for which it stands as security and the name of the person in whose behalf proof is being made. Upon the filing of the notice, the clerk of court shall retain it as part of the records of the court and shall enter upon the record the date and hour of filing, the name of the surety, the name of the titleholder of record, the description of the real estate and a notation that a lien is charged on the real estate pursuant to the notice filed under this section.

If a judgment rendered against the principal on the bond shall not be satisfied within sixty days after it has become final, the judgment creditor may for his own use and benefit and at his sole expense bring an action in the name of the State against the company or persons executing the bond, including an action or proceeding to foreclose any lien that may exist upon the real estate of a person who executed the bond. An action to foreclose any lien upon real estate scheduled by any surety under the provisions of this section shall be brought in the same manner as is provided for the foreclosure of real estate mortgages in this State.

HISTORY: 1962 Code Section 46-750; 1952 (47) 1853.

SECTION 56-9-580. Certificate of deposit of cash or securities as proof; amount; deposit held to satisfy judgment.

Proof of financial responsibility may be evidenced by the certificate of the State Treasurer that the person named therein has deposited with him thirty-five thousand dollars in cash or securities such as may legally be purchased by savings banks or for trust funds of a market value of thirty-five thousand dollars. The State Treasurer may not accept the deposit and issue a certificate therefor and the Department of Motor Vehicles may not accept the certificate unless accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the county where the depositor resides.

The deposit must be held by the State Treasurer to satisfy, in accordance with the provisions of this chapter, any execution on a judgment issued against the person making the deposit for damages, including damage for care and loss of service, because of bodily injury to or death of any person or for damages because of injury to or destruction of property, including the loss of use thereof, resulting from the ownership, maintenance, use, or operation of a motor vehicle after the deposit was made. Money or securities deposited are not subject to attachment or execution unless the attachment or execution arises out of a suit for damages which this chapter covers.

HISTORY: 1962 Code Section 46-750.1; 1952 (47) 1853; 1960 (51) 1584; 1977 Act No. 80 Section 4; 1987 Act No. 155, Section 8.

SECTION 56-9-590. Owner may give proof for employee or member of household; restrictions on license.

Whenever any person required to give proof of financial responsibility under this chapter is, or later becomes, an operator in the employ of any owner or is, or later becomes, a member of the immediate family or household of the owner, the Department of Motor Vehicles shall accept proof given by the owner in lieu of proof by the other person to permit that person to operate a motor vehicle for which the owner has given proof as provided in this chapter. The Department shall designate the restrictions imposed by this section on that person's license.

HISTORY: 1962 Code Section 46-750.2; 1952 (47) 1853.

SECTION 56-9-600. Substitution of other adequate proof.

The Department of Motor Vehicles shall consent to the cancellation of any bond or certificate of insurance or the Department shall direct and the State Treasurer shall return the money or securities to the person entitled thereto upon the substitution and acceptance of other adequate proof of financial responsibility pursuant to this chapter.

HISTORY: 1962 Code Section 46-750.3; 1952 (47) 1853.

SECTION 56-9-610. Other proof may be required; suspension pending filing of proof.

Whenever any proof of financial responsibility filed under the provisions of this chapter no longer fulfills the purposes for which required, the Department of Motor Vehicles shall require other proof as required by this chapter and shall suspend the license and registration or the nonresident's operating privilege pending the filing of other proof.

HISTORY: 1962 Code Section 46-750.4; 1952 (47) 1853.

SECTION 56-9-620. Cancellation or return of proof; waiver of requirements of filing proof.

The Department of Motor Vehicles shall upon request consent to the immediate cancellation of any bond or certificate of insurance, or shall return to the person entitled thereto any money or securities deposited pursuant to this chapter as proof of financial responsibility, or the Department shall waive the requirement of filing proof, in any of the following events:

(1) At any time after three years from the date the proof was required when, during the three year period preceding the request, the Department has not received record of a conviction or a forfeiture of bail which would require or permit the suspension or revocation of the license, registration, or nonresident's operating or registration privilege of the person by or for whom the proof was furnished;

(2) In the event of the death of the person on whose behalf the proof was filed or the permanent incapacity of the person to operate a motor vehicle; or

(3) In the event the person who has given proof surrenders his license and registration to the Department;

Provided, however, the Department shall not consent to the cancellation of any bond or the return of any money or securities in the event any action for damages upon a liability covered by

the proof is then pending or any judgment upon this liability is then unsatisfied or in the event the person who has filed the bond or deposited the money or securities has, within one year immediately preceding the request, been involved as an operator or owner in any motor vehicle accident resulting in injury or damage to the person or property of others. An affidavit of the applicant as to the nonexistence of these facts or that he has been released from all of his liability or has been finally adjudicated not to be liable for the injury or damage shall be sufficient evidence thereof in the absence of evidence to the contrary in the records of the Department.

HISTORY: 1962 Code Section 46-750.5; 1952 (47) 1853; 1959 (51) 567; 1978 Act No. 467 Section 2.

SECTION 56-9-630. Re-establishment of cancelled or returned proof.

Whenever any person whose proof has been cancelled or returned under item (3) of Section 56-9-620 applies for a license or registration within a period of three years from the date proof was originally required, this application shall be refused unless the applicant shall re-establish the proof for the remainder of the three year period.

HISTORY: 1962 Code Section 46-750.6; 1952 (47) 1853; 1959 (51) 567; 1963 (53) 501.