



The Situation:

Corporate Interests Seek to Increase Profits by Decreasing Victims' Rights



November 4th, 2023: *"Berkshire Hathaway posts a 40% jump in operating earnings, cash pile swells to a record \$157 billion"*

The existing laws surrounding liquor liability insurance requirements for bars and how multi-party civil cases are tried in South Carolina were designed to hold wrongdoers accountable and protect innocent victims and, in cases of death, their survivors. Now, special interest groups, many backed by big insurance companies, are trying to weaken these important laws. They are saying they have high insurance rates for bars and businesses because of the laws in our State. They have formed groups to push dangerous bills like S.533 and H.3933 that will make it next to impossible, in many cases, for victims to even recover medical costs.

The Bottom Line:

Changes to the Laws Only Hurt Victims

Special interests' groups are pushing these new laws using the name "The Justice Act." Justice for whom? The changes they propose will force victims and/or their survivors to suffer further after a tragic and life-changing event. The only ones who benefit are wrongdoers and deep-pocketed insurance companies. We simply cannot allow insurance companies to write the laws in South Carolina to guarantee them even greater profit margins at the expense of victims and public safety.



The Facts:

Victims' Rights Groups Don't Support Changing the Laws

The ones that will be hurt by a change in the law are victims of drunk drivers or other reckless actions that cause injury or death to another. Victims' rights groups, such as MADD and the South Carolina Crime Victim's Council, do not support repealing liquor liability requirement or the laws surrounding multi-party lawsuits.

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Mothers Against Drunk Driving:
S. 533 and H. 3933 changes the current law to eliminate this longstanding protection of victims and only benefits those that sell alcohol illegally. Under S. 533 and H. 3933, victims lose, and they have already lost too much.

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1



If the current laws in our State are the problem, then why are rates going up across the country for all types of insurance?

THE WALL STREET JOURNAL.

January 19th, 2024: *“Insurance giant Travelers reported higher revenue and income in the most-recent quarter, helped by double-digit percentage increases in premiums for auto and home insurance. Its stock rose around 5% in early trading.”*

2

Insurance Profits Skyrocket by Increasing Costs for All Types of Policies

Bars, which have come together under the “Save SC Venue Crisis” are being misled by the insurance industry for the reason why rates are increasing. Bar owners aren't the only ones impacted; rates are going up for all types of policies all across the country. Yet at the same their revenues and profit shares are going up.

The Real Reason Insurance Rates are Rapidly Rising

A recent report from an insurance trade group indicates the upward trend of all insurance rates was due to “inflation, supply chain issues, and natural catastrophes” – not the laws here in South Carolina. We cannot rely on the insurance companies for the answer of how to fix rising insurance costs. It is the job of insurance companies to try to make an environment that best benefits them and their profits – not their customers. Passing this legislation is short sighted and will not solve the problem of increasing rates in the long-term.

3

“After recovering from challenges stemming from the pandemic, the U.S. property & casualty insurance industry is facing a hard market cycle primarily due to the combination of historic high inflation, supply chain disruptions, and natural catastrophes which have created economic uncertainty.”

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

2022 Full Year Report

Drunk Driving is an Epidemic in South Carolina

Almost every state in the country requires some sort of liability insurance for alcohol sellers. South Carolina's requirement is not unusual but the number of DUI deaths we have each year.

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We rank #2 in the nation for DUI related deaths. Decreasing responsibility to those associated with these tragic accidents will not combat the problem. It will only make it worse.

60%

60% of South Carolinians think restaurants should carry liability insurance to cover victims injured by patrons who were over-served.

5

Most South Carolinians Believe Bars Should Have Insurance

All car owners must have auto insurance. Homes with a mortgage at a bank are also required to have property insurance. It is reasonable that bars that serve liquor, a potentially lethal substance, should also be required to have insurance.

South Carolina Needs Required Alcohol Server Training

Alcohol server training could help combat the dangers of alcohol on our roadways. It is not a requirement in SC while so many professions require training such as realtors, barbers, counselors, lawyers, massage therapists, and funeral directors. It is reasonable for alcohol servers who are dispensing a potentially dangerous product to have required training.

6

TRAINING

The Myths of Joint and Several Liability

You can't just sue someone in SC, and then they or their insurance company must pay a settlement. Or another misconception is you can be marginally responsible (1%) and then be made to pay the full damages as many wanting to weaken victims' rights laws are claiming. Someone must be found liable to have been the main cause (50% or more) to the injury or death by a 12-person jury before being fully responsible for victim assistance. The contribution amount does go below 50% only in cases of alcohol and drugs. Still, a jury still must find "willful, wanton, reckless, grossly negligent, or intentional or conduct involving the use, sale, or possession of alcohol or the illegal or illicit use, sale, or possession of drugs" before compensation is given to an innocent victim. The law sets a high threshold before an alcohol seller must take responsibility. This is appropriate given the lethal potential of drugs and alcohol.

The current system has worked well for almost 20 years, balancing the rights of victims with the complex nature of multi-party liability lawsuits. Roughly thirty other states use a "Joint and Several" approach to civil cases.

7

POTENTIAL SOLUTIONS TO LIQUOR LIABILITY RATES

Make the methodology to calculate its liquor liability score public

For the problem to be solved, we must look at all factors taken into account when setting rates. Then, contributing factors can be individually addressed instead of simply repealing the need for bars to carry insurance.

Enact the Server Training Bill

Requiring bartenders and servers to take a training session can help lead to safer roads. Training is mandatory for a variety of professions and alcohol servers shouldn't be an exception.

Enable the Department of Insurance to Have Regulatory Authority

Currently, the DOI has no way to audit the information provided by insurance companies. They also have no mechanisms by which to effectively regulate liability rates.

Give Bar Owners Tools to Get the Best Rates

Create a website where businesses seeking liability insurance could obtain price estimates from multiple insurers to ensure the best possible price.

Joint Underwriting Market

Create a system where insurance companies can join together to share in both the profits and losses of liquor liability insurance, making it easier for businesses to obtain coverage and more profitable for insurance companies to provide coverage.

DON'T CHANGE LAWS TO GUARANTEE GREATER PROFITS FOR INSURANCE COMPANIES AT THE EXPENSE OF VICTIMS & PUBLIC SAFETY



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REPAIRER DRIVEN NEWS

January 19th, 2024: *“Allstate’s total revenues reached \$14.5 billion during Q3, representing a 9.8% year-over-increase, the insurer said when announcing its financial results for the period.*

The company said its \$1.3 billion increase could be attributed largely to a \$1.1 billion increase in property liability income from higher average premiums.”

BUSINESS INSURANCE

January 19th, 2024: *“Travelers Cos. Inc. Friday reported fourth-quarter net income soared 98% to \$1.63 billion, as lower catastrophe losses, price increases and higher investment income boosted its performance.”*