



S. 244



# The Justice Act of 2025

*The South Carolina Justice Act is a meaningful tort reform package that will improve the state’s economic environment for citizens and businesses while adhering to our state’s values.*

It is more comprehensive than previous tort-related bills, but seeks to address several areas where current legal system abuse is increasing costs and uncertainty for our citizens and businesses. The bill will not insulate “bad actors” from the consequences of their behaviors.

## 1 Ensuring Accountability & Fairness in Lawsuits

The bill ensures that individuals and businesses are held accountable only for the damages they cause, eliminating the current practice where parties can be forced to pay for others’ mistakes. This promotes fairness and helps us compete with neighboring states who have similar systems.

## 2 Reducing the Cost of Living

South Carolina families currently face a hidden “tort tax” of approximately \$3,700 per household due to rising legal costs and excessive litigation. This bill will reduce unnecessary lawsuits, helping lower insurance premiums and overall costs for businesses and consumers.

## 3 Strengthening Personal Responsibility

The bill reinforces the principle of personal responsibility by limiting legal loopholes that shift blame to minor contributors. This principle aligns with South Carolina’s core values and has bipartisan support.

Loopholes in the current judicial system are making South Carolina less competitive economically, exposing businesses to uncertainty, and costing consumers more money. Consequences of the current system threaten the state’s economy in multiple ways:

### Limiting Economic Competitiveness

Businesses are closing at an alarming rate, while others are forced to find ways to control expenses and make cuts rather than focusing on growth opportunities. The current climate is also preventing new businesses from entering the market.

### Raising Household Costs

The “tort tax” costs an estimated \$3,700 per household annually, based on findings from studies conducted by USC & ATRA. This hidden cost creates an additional financial strain on South Carolinians by adversely affecting purchasing power and the affordability of household expenses such as healthcare.

### Diminishing Insurance Coverage

Insurance availability and affordability issues have forced businesses and individuals to reduce their coverage limits, or go uninsured. This practice is detrimental to victims who deserve to be compensated and indemnified.

See the reverse page for a section-by-section explanation of the bill.

Please join us in supporting the Justice Act and bringing much-needed reform for our state’s residents and businesses.

# Justice Act of 2025

## SECTION 1: Several Liability

- Requires damages to be apportioned among all at-fault parties. Parties would be held accountable for the damages that they caused, but no longer forced to cover the fault of others.
- Georgia recently enacted similar damage apportionment laws in 2022.

## SECTION 2: Dram Shop Liability

- Provides limitations on when an alcohol licensee is civilly liable for damages.
- Party must be visibly intoxicated at the time of sale
- Should have known party would become intoxicated based on obvious factors
- Under the age of 21
- Licensee is no longer chargeable for knowing what happened at another location.
- Prohibits passengers who knowingly ride with intoxicated drivers from claims against the licensee.
- Balances protections for business and the need for victims to pursue legitimate claims.

## SECTION 3: Alcohol Server Training

- Requires alcohol server training to ensure servers and managers are able recognize the signs of intoxication for the purpose of reducing the number of DUI-related incidents.

## SECTION 4: Captive Insurance Companies/Liquor Liability

- Explicitly states that captive insurance companies are permitted to provide liquor liability insurance for the purpose of introducing

more competition in the insurance market and to alleviate some of the availability/affordability issues.

## SECTION 5: Liquor Liability Insurance

- Codifies the current mandatory minimum insurance requirements for liquor liability to require coverage that provides at least \$1M in coverage per occurrence.
- Helps potential victims recover, and also helps insulate the businesses in cases where their liability might exceed a lower insurance limit.
- This provision, with the provisions in Section 2, will balance protections for business and the need for victims to pursue legitimate claims.

## SECTION 6: Construction Defects/ Statute of Repose

- The statute of repose for construction defects is supposed to be 8 years (one of the longest in the country), but exceptions have extended that timeframe indefinitely. These changes help enforce the current statute of repose that the legislature intended.
- This will help make homeownership and construction costs more affordable.

## SECTION 7: Seatbelt Admissibility

- Allows seatbelt usage, or the failure to use, to be admissible as evidence in civil actions.

## SECTION 8: Venue in "John Doe" Cases

- Requires so-called "John Doe" actions against unknown defendants to be tried in the county where the cause of action arose to prevent venue shopping.

## SECTIONS 9 & 10: Damage Awards/ Underinsured Motorist

- These sections would allow consumers to save on the cost of their uninsured and underinsured motorist coverages by no longer forcing insurers to cover punitive damages under those specific coverages.
- Punitive damages, by definition, are intended to punish – not cover compensatory damages.
- This would allow for new options where insurers will not automatically be forced to pay for punitive damages (punished) by their own customers.

## SECTIONS 11 & 12: "Occurrence" Definition/Medical Malpractice

- Amends the definition of "occurrence" for medical malpractice claims to include the events that flow from a single act of negligence.
- Addresses exceptions to the current caps on non-economic damages.

## SECTION 13: Tyger River Doctrine – Insurers & Bad Faith

- "Tyger River" settlement demands rely on longstanding SC case law, and often pressure insurance carriers to settle cases that would otherwise be taken to trial.
- This proposes specific guidelines and time periods by when insurers can tender policy limits (or the amount demanded) and avoid being charged with bad faith.
- These provisions will give insurers appropriate time to review the facts of a case and work in good faith with claimants and plaintiffs.

Support for this legislation benefits a broad constituency of stakeholders. Businesses in nearly every industry in South Carolina support this effort.

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