**South Carolina General Assembly**

119th Session, 2011-2012

**A26, R49, S431**

**STATUS INFORMATION**

General Bill

Sponsors: Senators McConnell, Rankin, Setzler, Campbell, Shoopman, Reese, Bright, Alexander, S. Martin, Fair, Cromer, Bryant, Elliott, O'Dell, Campsen, Ford, Rose, Lourie, Cleary, Verdin, McGill, Williams, Nicholson, Knotts, Land and Scott

Document Path: l:\council\bills\agm\18327ab11.docx

Companion/Similar bill(s): 3449

Introduced in the Senate on January 26, 2011

Introduced in the House on March 31, 2011

Last Amended on May 5, 2011

Passed by the General Assembly on May 12, 2011

Governor's Action: May 17, 2011, Signed

Summary: Insurance policies

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

1/26/2011 Senate Introduced and read first time ([Senate Journal‑page 6](file:///h:\sj%20archive\2011\01-26-11.docx))

1/26/2011 Senate Referred to Committee on **Banking and Insurance** ([Senate Journal‑page 6](file:///h:\sj%20archive\2011\01-26-11.docx))

2/15/2011 Senate Committee report: Favorable with amendment **Banking and Insurance** ([Senate Journal‑page 14](file:///h:\sj%20archive\2011\02-15-11.docx))

2/16/2011 Scrivener's error corrected

3/3/2011 Senate Special order, set for March 3, 2011 ([Senate Journal‑page 32](file:///h:\sj%20archive\2011\03-03-11.docx))

3/3/2011 Senate Roll call Ayes‑33 Nays‑12 ([Senate Journal‑page 32](file:///h:\sj%20archive\2011\03-03-11.docx))

3/17/2011 Senate Debate interrupted ([Senate Journal‑page 15](file:///h:\sj%20archive\2011\03-17-11.docx))

3/22/2011 Senate Debate interrupted ([Senate Journal‑page 17](file:///h:\sj%20archive\2011\03-22-11.docx))

3/29/2011 Senate Debate interrupted ([Senate Journal‑page 18](file:///h:\sj%20archive\2011\03-29-11.docx))

3/30/2011 Senate Committee Amendment Adopted ([Senate Journal‑page 48](file:///h:\sj%20archive\2011\03-30-11.docx))

3/30/2011 Senate Amended ([Senate Journal‑page 48](file:///h:\sj%20archive\2011\03-30-11.docx))

3/30/2011 Senate Read second time ([Senate Journal‑page 48](file:///h:\sj%20archive\2011\03-30-11.docx))

3/30/2011 Senate Roll call Ayes‑41 Nays‑2 ([Senate Journal‑page 48](file:///h:\sj%20archive\2011\03-30-11.docx))

3/31/2011 Senate Read third time and sent to House ([Senate Journal‑page 29](file:///h:\sj%20archive\2011\03-31-11.docx))

3/31/2011 Senate Roll call Ayes‑39 Nays‑2 ([Senate Journal‑page 29](file:///h:\sj%20archive\2011\03-31-11.docx))

3/31/2011 House Introduced and read first time ([House Journal‑page 75](file:///h:\hj%20archive\2011\03-31-11.docx))

3/31/2011 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 75](file:///h:\hj%20archive\2011\03-31-11.docx))

5/4/2011 House Committee report: Favorable with amendment **Labor, Commerce and Industry** ([House Journal‑page 2](file:///h:\hj%20archive\2011\05-04-11.docx))

5/5/2011 House Amended ([House Journal‑page 15](file:///h:\hj%20archive\2011\05-05-11.docx))

5/5/2011 House Read second time ([House Journal‑page 15](file:///h:\hj%20archive\2011\05-05-11.docx))

5/5/2011 House Roll call Yeas‑104 Nays‑0 ([House Journal‑page 15](file:///h:\hj%20archive\2011\05-05-11.docx))

5/5/2011 House Unanimous consent for third reading on next legislative day ([House Journal‑page 18](file:///h:\hj%20archive\2011\05-05-11.docx))

5/6/2011 House Read third time and returned to Senate with amendments ([House Journal‑page 107](file:///h:\hj%20archive\2011\05-06-11.docx))

5/12/2011 Senate Concurred in House amendment and enrolled ([Senate Journal‑page 12](file:///h:\sj%20archive\2011\05-12-11.docx))

5/12/2011 Senate Roll call Ayes‑36 Nays‑0 ([Senate Journal‑page 12](file:///h:\sj%20archive\2011\05-12-11.docx))

5/17/2011 Ratified R 49

5/17/2011 Signed By Governor

5/24/2011 Effective date See Act for Effective Date

5/24/2011 Act No. 26

**VERSIONS OF THIS BILL**

[1/26/2011](file:///p:\pprever\2011-12\431_20110126.docx)

[2/15/2011](file:///p:\pprever\2011-12\431_20110215.docx)

[2/16/2011](file:///p:\pprever\2011-12\431_20110216.docx)

[3/30/2011](file:///p:\pprever\2011-12\431_20110330.docx)

[5/4/2011](file:///p:\pprever\2011-12\431_20110504.docx)

[5/5/2011](file:///p:\pprever\2011-12\431_20110505.docx)

(A26, R49, S431)

**AN ACT** **TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38‑61‑70 SO AS TO DEFINE A “COMMERCIAL GENERAL LIABILITY INSURANCE POLICY”, “CONSTRUCTION PROFESSIONAL”, AND “CONSTRUCTION RELATED WORK”, TO PROVIDE THAT A COMMERCIAL GENERAL LIABILITY INSURANCE POLICY MUST DEFINE OR BE DEEMED TO DEFINE THE WORD “OCCURRENCE” IN A SPECIFIC MANNER, AND TO PROVIDE FOR THE SCOPE AND LIMITS OF APPLICABILITY OF THIS SECTION.**

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

**Commercial general liability insurance policies, definitions, requirements, application limited to coverage for construction professionals for liability arising from construction related work**

SECTION 1. Chapter 61, Title 38 of the 1976 Code is amended by adding:

“Section 38‑61‑70. (A) For purposes of this section:

(1) ‘Commercial general liability insurance policy’ means a contract of insurance that covers occurrences of damages or injury during the policy period and insures a construction professional for liability arising from construction related work.

(2) ‘Construction professional’ means a person, sole proprietorship, partnership, corporation, limited liability company, or other recognized legal entity that engages in the development, construction, installation, or repair of an improvement to real property.

(3) ‘Construction related work’ means activities by a construction professional involving the development, construction, installation, or repair of an improvement to real property.

(B) Commercial general liability insurance policies shall contain or be deemed to contain a definition of ‘occurrence’ that includes:

(1) an accident, including continuous or repeated exposure to substantially the same general harmful conditions; and

(2) property damage or bodily injury resulting from faulty workmanship, exclusive of the faulty workmanship itself.

(C) This section is not intended to restrict or limit the nature or types of exclusions from coverage that an insurer, including a surplus lines insurer, may include in a commercial general liability insurance policy.

(D) This section applies only to a commercial general liability insurance policy that insures a construction professional for liability arising from construction related work.

(E) This section applies to any pending or future dispute over coverage that would otherwise be affected by this section as to all commercial general liability insurance policies issued in the past, currently in existence, or issued in the future.”

**Severability clause**

SECTION 2. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

**Time effective**

SECTION 3. This act takes effect upon approval by the Governor and applies to any pending or future dispute over coverage that would otherwise be affected by this section as to commercial general liability insurance policies issued in the past, currently in existence, or issued in the future.

Ratified the 17th day of May, 2011.

Approved the 17th day of May, 2011.

\_\_\_\_\_\_\_\_\_\_