**South Carolina General Assembly**

121st Session, 2015-2016

**S. 653**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Scott

Document Path: l:\council\bills\nbd\11068cz15.docx

Introduced in the Senate on April 14, 2015

Introduced in the House on March 23, 2016

Last Amended on March 15, 2016

Currently residing in the House

Summary: Life insurance

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

4/14/2015 Senate Introduced and read first time ([Senate Journal‑page 10](file:///h:\SJ%20Archive\2015\04-14-15.docx))

4/14/2015 Senate Referred to Committee on **Banking and Insurance** ([Senate Journal‑page 10](file:///h:\SJ%20Archive\2015\04-14-15.docx))

6/2/2015 Senate Committee report: Favorable with amendment **Banking and Insurance** ([Senate Journal‑page 18](file:///h:\SJ%20Archive\2015\06-02-15.docx))

3/9/2016 Senate Committee Amendment Adopted ([Senate Journal‑page 10](file:///h:\SJ%20Archive\2016\03-09-16.docx))

3/15/2016 Senate Amended ([Senate Journal‑page 11](file:///h:\SJ%20Archive\2016\03-15-16.docx))

3/16/2016 Senate Read second time ([Senate Journal‑page 11](file:///h:\SJ%20Archive\2016\03-16-16.docx))

3/16/2016 Senate Roll call Ayes‑37 Nays‑0 ([Senate Journal‑page 11](file:///h:\SJ%20Archive\2016\03-16-16.docx))

3/17/2016 Senate Read third time and sent to House ([Senate Journal‑page 20](file:///h:\SJ%20Archive\2016\03-17-16.docx))

3/23/2016 House Introduced and read first time ([House Journal‑page 22](file:///h:\HJ%20Archive\2016\03-23-16.docx))

3/23/2016 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 22](file:///h:\HJ%20Archive\2016\03-23-16.docx))

5/5/2016 House Committee report: Favorable **Labor, Commerce and Industry** ([House Journal‑page 158](file:///h:\HJ%20Archive\2016\05-05-16.docx))

5/17/2016 House Requests for debate‑Rep(s). GM Smith, Ott, JE Smith, Bamberg, Douglas, King, Williams, Hart, Parks, MS McLeod, Fry, Crosby, Danning, Sottile, HA Crawford, Hosey, RL Brown, Kennedy, McCoy, Huggins, Loftis, Stavrinakis ([House Journal‑page 41](file:///h:\HJ%20Archive\2016\05-17-16.docx))

5/31/2016 House Debate adjourned until Wed., 6‑1‑16 ([House Journal‑page 28](file:///h:\HJ%20Archive\2016\05-31-16.docx))

6/1/2016 House Debate adjourned until Thur., 6‑2‑16 ([House Journal‑page 101](file:///h:\HJ%20Archive\2016\06-01-16.docx))

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=653&session=121&summary=B) at the website

**VERSIONS OF THIS BILL**

[4/14/2015](file:///p:\pprever\2015-16\653_20150414.docx)

[6/2/2015](file:///p:\pprever\2015-16\653_20150602.docx)

[3/9/2016](file:///p:\pprever\2015-16\653_20160309.docx)

[3/15/2016](file:///p:\pprever\2015-16\653_20160315.docx)

[5/5/2016](file:///p:\pprever\2015-16\653_20160505.docx)

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Indicates New Matter

COMMITTEE REPORT

May 5, 2016

**S. 653**

Introduced by Senator Scott

S. Printed 5/5/16--H.

Read the first time March 23, 2016.

**THE COMMITTEE ON**

**LABOR, COMMERCE AND INDUSTRY**

To whom was referred a Bill (S. 653) to amend Section 38‑63‑80, Code of Laws of South Carolina, 1976, relating to payment of individual life insurance policy benefit proceeds in a lump sum, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

WILLIAM E. SANDIFER III for Committee.

**A** **BILL**

TO AMEND SECTION 38‑63‑80, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PAYMENT OF INDIVIDUAL LIFE INSURANCE POLICY BENEFIT PROCEEDS IN A LUMP SUM, SO AS TO PROVIDE THE INTEREST PAID MUST BE PAID AT A RATE NOT LESS THAN THE CURRENT RATE INTEREST PAID ON DEATH PROCEEDS LEFT ON DEPOSIT WITH THE INSURER; AND TO AMEND SECTION 38‑65‑120, RELATING TO PAYMENT OF GROUP LIFE INSURANCE POLICY BENEFIT PROCEEDS IN A LUMP SUM, SO AS TO CLARIFY THE REQUIREMENTS FOR CLAIMS SUBMISSIONS, AND TO PROVIDE INTEREST PAID ON LUMP SUM PAYMENTS MUST BE PAID AT A RATE NOT LESS THAN THE CURRENT RATE OF INTEREST PAID ON DEATH PROCEEDS LEFT ON DEPOSIT WITH THE INSURER.

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

SECTION 1. Section 38‑63‑80 of the 1976 Code is amended to read:

“Section 38‑63‑80. When an individual life insurance policy provides for payment of its proceeds in a lump sum upon the death of the insured and the insurer fails to pay the proceeds within ~~thirty~~ forty-five days of submission of proof of death and all necessary claim papers needed in order to pay the claim properly, the payment must include interest ~~at the legal rate from the date of death of the insured until the date the claim is paid~~. Notwithstanding another provision of law, this interest must be paid at a rate equal to the prime rate plus one percent, but may not exceed the state’s legal rate of interest.”

SECTION 2. Section 38‑65‑120 of the 1976 Code is amended to read:

“Section 38‑65‑120. When a group life insurance policy provides for payment of its proceeds in a lump sum upon the death of an insured and the insurer fails to pay the proceeds within ~~thirty~~ forty-five days of submission of proof of death and all necessary claim papers needed to properly pay the claim, the payment must include interest ~~at the legal rate of interest from the date of death of that insured until the date the claim is paid~~. Notwithstanding another provision of law, this interest must be paid at a rate equal to the prime rate plus one percent, but may not exceed the state’s legal rate of interest.”

SECTION 3. Section 38‑63‑220(f) of the 1976 Code is amended to read:

“(f) a provision that when a policy becomes a claim by the death of the insured, settlement must be made upon receipt of proof of death. When a policy provides for payment of its proceeds in a lump sum upon the death of the insured and the insurer fails to pay the proceeds within ~~thirty~~ forty-five days of submission of proof of death and all necessary claim papers needed in order to pay the claim properly, the payment must include interest ~~at the legal rate of interest from the date of death of the insured until the date the claim is paid~~. Notwithstanding another provision of law, this interest must be paid at a rate equal to the prime rate plus one percent, but may not exceed the state’s legal rate of interest.”

SECTION 4. This act takes effect upon approval by the Governor.

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