**South Carolina General Assembly**

122nd Session, 2017-2018

**A55, R81, S463**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Cromer and Gambrell

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Introduced in the Senate on February 23, 2017

Introduced in the House on March 21, 2017

Last Amended on May 10, 2017

Passed by the General Assembly on May 10, 2017

Governor's Action: May 19, 2017, Signed

Summary: Insurance

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 2/23/2017 Senate Introduced and read first time ([Senate Journal‑page 7](file:///h%3A%5Csj%5C20170223.docx))

 2/23/2017 Senate Referred to Committee on **Banking and Insurance** ([Senate Journal‑page 7](file:///h%3A%5Csj%5C20170223.docx))

 3/9/2017 Senate Committee report: Favorable **Banking and Insurance** ([Senate Journal‑page 17](file:///h%3A%5Csj%5C20170309.docx))

 3/15/2017 Senate Read second time ([Senate Journal‑page 20](file:///h%3A%5Csj%5C20170315.docx))

 3/15/2017 Senate Roll call Ayes‑41 Nays‑0 ([Senate Journal‑page 20](file:///h%3A%5Csj%5C20170315.docx))

 3/16/2017 Senate Read third time and sent to House ([Senate Journal‑page 14](file:///h%3A%5Csj%5C20170316.docx))

 3/21/2017 House Introduced and read first time ([House Journal‑page 123](file:///h%3A%5Chj%5C20170321.docx))

 3/21/2017 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 123](file:///h%3A%5Chj%5C20170321.docx))

 4/27/2017 House Recalled from Committee on **Labor, Commerce and Industry** ([House Journal‑page 43](file:///h%3A%5Chj%5C20170427.docx))

 5/4/2017 House Amended ([House Journal‑page 25](file:///h%3A%5Chj%5C20170504.docx))

 5/4/2017 House Read second time ([House Journal‑page 25](file:///h%3A%5Chj%5C20170504.docx))

 5/4/2017 House Roll call Yeas‑100 Nays‑0 ([House Journal‑page 29](file:///h%3A%5Chj%5C20170504.docx))

 5/4/2017 House Unanimous consent for third reading on next legislative day ([House Journal‑page 30](file:///h%3A%5Chj%5C20170504.docx))

 5/5/2017 House Read third time and returned to Senate with amendments ([House Journal‑page 3](file:///h%3A%5Chj%5C20170505.docx))

 5/5/2017 Scrivener's error corrected

 5/10/2017 Senate House amendment amended ([Senate Journal‑page 79](file:///h%3A%5Csj%5C20170510.docx))

 5/10/2017 Senate Roll call Ayes‑40 Nays‑0 ([Senate Journal‑page 79](file:///h%3A%5Csj%5C20170510.docx))

 5/10/2017 Senate Returned to House with amendments ([Senate Journal‑page 79](file:///h%3A%5Csj%5C20170510.docx))

 5/10/2017 House Concurred in Senate amendment and enrolled ([House Journal‑page 98](file:///h%3A%5Chj%5C20170510.docx))

 5/10/2017 House Roll call Yeas‑94 Nays‑0 ([House Journal‑page 98](file:///h%3A%5Chj%5C20170510.docx))

 5/15/2017 Ratified R 81

 5/19/2017 Signed By Governor

 5/26/2017 Effective date 5/19/17

 5/31/2017 Act No. 55

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=463&session=122&summary=B) at the website

**VERSIONS OF THIS BILL**

[2/23/2017](file:///p%3A%5Cpprever%5C2017-18%5C463_20170223.docx)

[3/9/2017](file:///p%3A%5Cpprever%5C2017-18%5C463_20170309.docx)

[4/27/2017](file:///p%3A%5Cpprever%5C2017-18%5C463_20170427.docx)

[5/4/2017](file:///p%3A%5Cpprever%5C2017-18%5C463_20170504.docx)

[5/5/2017](file:///p%3A%5Cpprever%5C2017-18%5C463_20170505.docx)

[5/10/2017](file:///p%3A%5Cpprever%5C2017-18%5C463_20170510.docx)

(A55, R81, S463)

**AN ACT TO AMEND SECTION 38‑1‑20, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS USED IN TITLE 38, SO AS TO INCLUDE CERTAIN FORMS OF DISABILITY INSURANCE IN THE DEFINITION FOR THE TERM “SURPLUS LINES INSURANCE”; AND TO AMEND SECTION 38‑43‑100, AS AMENDED, RELATING TO INSURANCE PRODUCER LICENSING, SO AS TO AUTHORIZE THE SOUTH CAROLINA LAW ENFORCEMENT DIVISION TO RETAIN FINGERPRINTS FOR USE IN IDENTIFICATION PURPOSES.**

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

**Surplus lines insurance definition, disability insurance above benefit limit included**

SECTION 1. Section 38‑1‑20(56) of the 1976 Code, as last amended by Act 137 of 2016, is further amended to read:

 “(56) ‘Surplus lines insurance’ means insurance in this State of risks located or to be performed in this State, permitted to be placed through a licensed broker, or a licensed broker as provided in Section 38‑45‑10(8)(b)(ii), with a nonadmitted insurer eligible to accept the insurance, other than reinsurance, wet marine and transportation insurance, insurance independently procured, and life and health insurance and annuities. Excess and stop‑loss insurance coverage upon group life, accident, and health insurance or upon a self‑insured’s life, accident, and health benefits program and disability insurance in excess of any benefit limit available from an admitted insurer may be approved as surplus lines insurance.”

**Insurance producer licensing, SLED retains fingerprints**

SECTION 2. Section 38‑43‑100 of the 1976 Code, as last amended by Act 194 of 2016, is further amended to read:

 “Section 38‑43‑100. (A) Business may not be done by the applicant except following issuance of a producer’s license, and the license may not be issued until the director or his designee has determined that the applicant is qualified as an insurance producer, generally, and is particularly qualified for the line of business in which the applicant proposes to engage. The department shall promulgate regulations setting forth qualifying standards of producers as to all lines of business and shall require the producer applicant to stand a written examination. For the purpose of interstate reciprocity, the department shall identify by bulletin which limited lines insurance are approved in South Carolina and which are exempt from examination. A bank, finance company, or other company handling credit transactions operating in this State and utilizing one or more credit life or accident and health or credit property producers in a particular geographical area who are licensed without having taken the written examination is required to have readily available at least one credit life or accident and health or credit property producer to answer customers’ questions concerning credit life, credit accident and health insurance, or credit property, or any combination of these.

 (B) A resident individual applying for an insurance producer license shall pass an examination. The examination must test the knowledge of the individual concerning the lines of authority for which application is made, the duties and responsibilities of an insurance producer, and the insurance laws and regulations of this State. The examination required by this section must be developed and conducted under regulations prescribed by the director or his designee.

 (C) The director or his designee may make arrangements, including contracting with an outside testing service, for administering licensing examinations.

 (D) Each individual applying for a licensing examination shall remit a nonrefundable examination fee as required by the licensing exam administrator.

 (E) An individual who fails to appear for the examination as scheduled or fails to pass the examination, shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.

 (F) A person applying for a resident insurance producer license or a person applying on behalf of the applicant shall make application to the director or his designee on the Uniform Application and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the applicant’s knowledge and belief. Before approving the application, the director or his designee shall find that the applicant:

 (1) is at least eighteen years of age;

 (2) is a person of good moral character and has not been convicted of a felony or any crime involving moral turpitude within the last ten years that is a ground for denial, suspension, or revocation as provided for in Section 38‑43‑130;

 (3) has paid the fees provided for in Section 38‑43‑80; and

 (4) has successfully passed the examination or examinations for the line or lines of insurance for which the person has applied.

 (5) Before a license is issued to an applicant or is renewed permitting him to act as a resident producer, the applicant shall comply with the licensing and renewal requirements set forth in this section and by regulation. In addition to those licensing requirements, the applicant shall:

 (a) furnish a complete set of his fingerprints to the director or his designee; and

 (b) undergo a state criminal records check, supported by his fingerprints, by the South Carolina Law Enforcement Division (SLED) and a national criminal records check, supported by his fingerprints, by the Federal Bureau of Investigation (FBI). The results of these criminal records checks must be reported to the department. SLED is authorized to retain the fingerprints for use in identification purposes including, but not limited to, unsolved latent prints. The cost associated with the criminal history records checks must be borne by the applicant. The applicant’s fingerprints must be certified by a law enforcement officer authorized by SLED.

 (G) The individual’s producer license must contain the licensee’s name, address, personal identification number, the date of issuance, the line or lines of authority, and other information the director or his designee considers necessary.

 (H) An agency acting as an insurance producer is required to obtain an insurance producer license. Application must be made using the Uniform Business Entity Application. Before approving the application, the director or his designee shall find that:

 (1) the agency has paid the fees as prescribed by Section 38‑43‑80; and

 (2) the agency has designated a licensed producer or other person responsible for the business entity’s compliance with the insurance laws, rules, and regulations of this State.

 (I) The director or his designee may require any documents reasonably necessary to verify the information contained in an application.

 (J) The agency’s license must contain the licensee’s name, address, personal identification number, the date of issuance, and other information the director or his designee considers necessary.

 (K) Each insurer that sells, solicits, or negotiates any form of credit insurance shall provide to each individual whose duties include selling, soliciting, or negotiating credit insurance, a program of instruction that has been filed with the director or his designee.”

**Time effective**

SECTION 3. This act takes effect upon approval by the Governor.

Ratified the 15th day of May, 2017.

Approved the 19th day of May, 2017.

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