**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38‑5‑300 SO AS TO REQUIRE INSURERS TO DISCLOSE ITS USE OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE SCORES OR CONSIDERATION OF DIVERSITY, EQUITY, AND INCLUSION PRACTICES IN ESTABLISHING RATES; AND BY ADDING SECTIONS 34‑3‑120, 34‑21‑80, AND 34‑26‑895 ALL SO AS TO REQUIRE EVERY BANKING CORPORATION, TRUST INSTITUTION, AND CREDIT UNION TO DISCLOSE IF IT USES ENVIRONMENTAL, SOCIAL, AND GOVERNANCE SCORES OR CONSIDERATION OF DIVERSITY, EQUITY, AND INCLUSION POLICIES IN ESTABLISHING RATES, PROVIDING SERVICES, AND MAKING LENDING DETERMINATIONS.

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

SECTION 1. Chapter 5, Title 38 of the 1976 Code is amended by adding:

“Section 38‑5‑300. (A) Every insurer license to transact business in this State must include with any rate filing a disclosure of its use of environmental, social, and governance scores or diversity, equity, and inclusion practices in establishing rates. Individual insurers must justify, with appropriate actuarial data, the use of these factors as part of a rating or establishing rating tiers. Any filer may request that this actuarial data remain proprietary as a commercially valuable trade secret. The department, absent a court order, may not release information which is filed on a proprietary basis.

(B) If an insurer considers environmental, social, and governance scores or diversity, equity, and inclusion practices when it declines to offer coverage, reduces coverage, or nonrenews a policy, it must provide a conspicuous disclosure substantially similar to the following in fourteen‑point bold font:

‘This declination, reduction, or nonrenewal of coverage has been determined based on a number of factors including environmental, social, and governance scores or diversity, equity, and inclusion policies. Information about [company’s] rating and insurance practices related to these factors is available in the most recent rate filing for [company].’”

SECTION 2. Article 1, Chapter 3, Title 34 of the 1976 Code is amended by adding:

“Section 34‑3‑120. (A) Every banking corporation that is authorized to transact business in this State must disclose in a prominent position on its website and in communications with customers if it uses environmental, social, and governance scores or considers diversity, equity, and inclusion in establishing interest rates, offering or providing services, and making lending determinations.

(B) If a bank considers environmental, social, and governance scores or diversity, equity, and inclusion practices when it declines to provide services or deny a loan application, or it charges a different rate than it would for a similar transaction, it must provide a conspicuous disclosure statement substantially similar to the following in fourteen‑point bold font:

‘This decision to decline to provide services or the conditions of the loan have been determined based on a number of factors including environmental, social, and governance scores or diversity, equity, and inclusion policies. Information about [company’s] lending and service practices related to these factors is available on [company’s] website.’”

SECTION 3. Article 1, Chapter 21, Title 34 of the 1976 Code is amended by adding:

“Section 34‑21‑80. (A) Every trust institution that is authorized to transact business in this State must disclose in a prominent position on its website and in communications with customers if it uses environmental, social, and governance scores or considers diversity, equity, and inclusion in establishing interest rates, offering or providing services, and making lending determinations.

(B) If a credit union considers environmental, social, and governance scores or diversity, equity, and inclusion practices when it declines to provide services or deny a loan application, or it charges a different rate than it would for a similar transaction, it must provide a conspicuous disclosure statement substantially similar to the following in fourteen‑point bold font:

‘This decision to decline to provide services or the conditions of the loan have been determined based on a number of factors including environmental, social, and governance scores or diversity, equity, and inclusion policies. Information about [company’s] lending and service practices related to these factors is available on [company’s] website.’”

SECTION 4. Article 8, Chapter 26, Title 34 of the 1976 Code is amended by adding:

“Section 34‑26‑895. (A) A credit union that is authorized to transact business in this State must disclose in a prominent position on its website and in communications with customers if it uses environmental, social, and governance scores or considers diversity, equity, and inclusion in establishing interest rates, offering or providing services, and making lending determinations.

(B) If a credit union considers environmental, social, and governance scores or diversity, equity, and inclusion practices when it declines to provides services or deny a loan application, or it charges a different rate than it would for a similar transaction, it must provide a conspicuous disclosure statement substantially similar to the following in fourteen‑point bold font:

‘This decision to decline to provide services or the conditions of the loan have been determined based on a number of factors including environmental, social, and governance scores or diversity, equity, and inclusion policies. Information about [company’s] lending and service practices related to these factors is available on [company’s] website.’”

SECTION 5. This act takes effect upon approval by the Governor.

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