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Indicates New Matter

COMMITTEE REPORT

June 2, 2015

**S. 653**

Introduced by Senator Scott

S. Printed 6/2/15--S.

Read the first time April 14, 2015.

**THE COMMITTEE ON BANKING AND INSURANCE**

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 with amendment:

Amend the bill, as and if amended, by inserting an appropriately numbered SECTION after line 15 on page 2 to read:

/ SECTION \_\_. 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 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 not less than the current rate of interest paid on death proceeds left on deposit with the insurer in effect at the time of the death of the insured;” /

Renumber sections to conform.

Amend title to conform.

ROBERT W. HAYES, JR. 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 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 not less than the current rate of interest paid on death proceeds left on deposit with the insurer in effect at the time of the death of the insured.”

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 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 not less than the current rate of interest paid on death proceeds left on deposit with the insurer in effect at the time of the death of the insured.”

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

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