



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3980	Introduced on February 16, 2023
Author:	J. E. Johnson	
Subject:	Insurance Fraud	
Requestor:	House Judiciary	
RFA Analyst(s):	Vesely	
Impact Date:	March 26, 2024	

Fiscal Impact Summary

This bill requires judges and the Workers' Compensation Commission (WCC) to report all cases of suspected false statements or misrepresentation in insurance matters to the Insurance Fraud Division of the Office of the Attorney General (AG).

Judicial reported that the new reporting requirement for judges increases the workload for the judicial system by an undetermined amount, depending upon how this reporting is done or how detailed it may be. However, given the example of judicial reporting of suspected child abuse and neglect, Judicial anticipated that the responsibilities of this bill could be managed within existing appropriations. Therefore, it is expected to have no expenditure impact for Judicial.

WCC has indicated that this bill will have no expenditure impact to the agency. WCC has indicated that the requirements from this bill are already in place with other sections of law, and this bill makes language consistent.

The Office of the AG has reported that this bill will have no expenditure impact to the agency. The Office of the AG indicated that any change to the number of suspected fraud investigations as a result of this bill will be managed with existing staff and within existing appropriations.

Explanation of Fiscal Impact

Introduced on February 16, 2023

State Expenditure

This bill requires judges and the WCC to report all cases of suspected false statements or misrepresentation in insurance matters to the Insurance Fraud Division of the Office of the AG.

Judicial reported that the new reporting requirement for judges increases the workload for the judicial system by an undetermined amount, depending upon how this reporting is done or how detailed it may be. However, using the example of the requirement that judges report child abuse and neglect to the Department of Social Services through a hotline or web form, it is anticipated that this bill could be managed within existing appropriations. Therefore, Judicial anticipates this bill will have no expenditure impact.

WCC has indicated that this bill will have no expenditure impact to the agency. WCC is required to report all cases of suspected false statements or misrepresentation to the Insurance Fraud Division through §49-9-440. This bill's reporting requirements for WCC are consistent with §49-9-440.

The Office of the AG has reported that this bill will have no expenditure impact to the agency. The Office of the AG indicated that any change to the number of suspected fraud investigations as a result of this bill will be managed with existing staff and within existing appropriations.

State Revenue

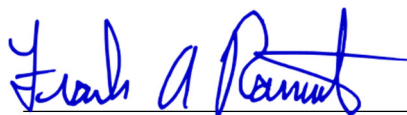
N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director