



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0579 Introduced on February 27, 2019
Author: Gambrell
Subject: Rate Filings for Insurers
Requestor: Senate Banking and Insurance
RFA Analyst(s): Miller
Impact Date: March 18, 2019

Fiscal Impact Summary

This bill will have no expenditure impact on the Department of Insurance (DOI) because DOI anticipates being able to manage any additional requests for an increase in automobile insurance rates can be managed within existing funds.

This bill may increase General Fund and Other Funds because there may be an insurance premium tax revenue due to the more frequent increase in automobile insurance premium rates, beginning in FY 2019-20.

Explanation of Fiscal Impact

Introduced on February 27, 2019

State Expenditure

This bill allows a rate increase for automobile rates no more frequently than every six months. Currently a rate increase is allowed only once every twelve months.

State Revenue

This bill allows an increase for automobile insurance rates no more frequently than every six months. Currently, an insurance rate increase is allowed only once every twelve months. This may result in an increase in premiums for automobile insurance as this bill is allowing rates to increase twice as frequently as is allowed under current law. Insurance premium taxes are 1.25 percent of insurance premium and are split 2.25 percent to Other Funds and 97.75 percent to the General Fund. Because the potential increase in premiums is unknown the increase to insurance premium tax revenue is undetermined beginning in FY 2019-20.

Local Expenditure

N/A

Local Revenue

N/A

A handwritten signature in blue ink that reads "Frank A. Rainwater".

Frank A. Rainwater, Executive Director