



**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.*

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**Bill Number:** S. 0500    Introduced on February 8, 2023  
**Author:** Cromer  
**Subject:** Department of Insurance  
**Requestor:** Senate Banking and Insurance  
**RFA Analyst(s):** Tipton  
**Impact Date:** February 15, 2023

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### **Fiscal Impact Summary**

This bill modifies the limit for grants administered through the Hurricane Damage Mitigation Program within the Department of Insurance (DOI), and amends related code as well as other statutory procedures and requirements of DOI. Under this bill, the Hurricane Damage Mitigation Program and accompanying advisory committee through DOI may administer two classes of grants. The Resilient Mitigation Award may be awarded for applicable roof retrofits and may not exceed \$7,500 for a nonmatching grant or \$6,000 for a matching grant. The Sustainable Mitigation Award may be awarded for qualifying roof retrofits, window replacement, and opening protection retrofits and may not exceed \$5,000 for a nonmatching grant or \$4,000 for a matching grant. The Sustainable Mitigation Award may also be awarded for qualifying hurricane shuttering and protective barrier systems and may not exceed \$3,000 for either a matching or nonmatching grant.

The bill also modifies the statutory duties of the director of DOI as well as rules and regulations related to DOI's management and review of an insurer terminating an entire line or class of business in the state. This bill will have no expenditure impact on DOI as the agency indicates all additional responsibilities will be managed within existing appropriations.

The number of grants administered by this program may decrease due to the increased grant limits set by the bill depending on the amount of funds provided for each grant. Additionally, the total amount of funding for the program is dependent upon annual legislative appropriations.

### **Explanation of Fiscal Impact**

#### **Introduced on February 8, 2023**

#### **State Expenditure**

This bill modifies the limit for grants administered through the Hurricane Damage Mitigation Program within the Department of Insurance (DOI), and amends related code as well as other statutory procedures and requirements of DOI. Under this bill, the Hurricane Damage Mitigation Program and accompanying advisory committee through DOI may administer two classes of grants. The Resilient Mitigation Award may be awarded for applicable roof retrofits and may not exceed \$7,500 for a nonmatching grant or \$6,000 for a matching grant. The Sustainable Mitigation Award may be awarded for qualifying roof retrofits, window replacement, and

opening protection retrofits and may not exceed \$5,000 for a nonmatching grant or \$4,000 for a matching grant. The Sustainable Mitigation Award may also be awarded for qualifying hurricane shuttering and protective barrier systems and may not exceed \$3,000 for either a matching or nonmatching grant.

Currently, matching grants for households with income exceeding 80 percent of the Housing and Urban Development (HUD) median income for the county may be no more than \$4,000. Non-matching grants for households with income not exceeding 80 percent of the HUD median income for the county may be no more than \$5,000. Since the Hurricane Mitigation Program began in 2007, approximately 504 grants totaling an estimated \$2,263,000 are administered on average each year with an average grant award of \$4,490. Approximately \$2,200,000 was available at the beginning of FY 2022-23 for grant funding. Under the grant structure established by the bill, the number of grants administered in FY 2023-24 may decrease if the grant amounts increase to the higher limits and funding for the program remains at historic levels. However, implementation of the Hurricane Mitigation Program is subject to annual legislative appropriations, and therefore, the impact on the volume of grants administered is unknown.

The bill also modifies the statutory duties of the director of DOI as well as rules and regulations related to DOI's management and review of an insurer terminating an entire line or class of business in the state. DOI indicates that this bill's requirements of the agency will be managed within existing appropriations and therefore will have no expenditure impact.

**State Revenue**

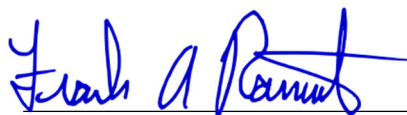
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director