



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0880 Introduced on January 14, 2020
Author: Cromer
Subject: Travel Insurance
Requestor: Senate Finance
RFA Analyst(s): Miller
Impact Date: January 22, 2020

Fiscal Impact Summary

This bill will have no expenditure impact because the Department of Insurance will be able to manage any additional responsibilities within the normal course of business and within existing appropriations.

Additionally, this bill may have an undetermined impact on the General Fund and Other Funds premium tax revenue depending on any potential change in insurance premiums due to this bill.

Explanation of Fiscal Impact

Introduced on January 14, 2020

State Expenditure

This bill modifies the requirements of an insurance company to be able to sell, solicit, negotiate or offer limited lines travel in this state. The Department of Insurance (DOI) anticipates this bill will have no fiscal impact to the agency as any additional responsibilities created by this bill for DOI can be managed within the normal course of business and within existing appropriations.

State Revenue

This bill modifies the requirements of an insurance company to be able to sell, solicit, negotiate or offer limited lines travel in this state. Revenue and Fiscal Affairs anticipates this bill may affect the availability of policies within the limited lines travel insurance market, which could impact the total amount of premiums paid within the state. The impact to premiums depends on the potential change to the number of policies offered and purchased. Insurance premium tax is 1.25 percent of insurance premiums and is split 97.75 percent of revenue to the General Fund and 2.25 percent to Other Funds. Therefore, any change in insurance premiums will result in a change in the General Fund and Other Funds premium tax revenue. However, as the change to premiums is unknown, the potential impact to General Fund and Other Funds premium tax revenue is undetermined.

Local Expenditure and Local Revenue

N/A

A handwritten signature in blue ink, reading "Frank A. Rainwater".

Frank A. Rainwater, Executive Director