



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
 (803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number: S. 0429 Updated for additional agency response
 Author: Thurmond
 Requestor: Senate Judiciary
 Date: April 21, 2015
 Subject: Worker's compensation
 RFA Analyst(s): Wren

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	Undeterminable	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Local Expenditure	\$1,950,000 to \$5,475,000	N/A
Local Revenue	N/A	N/A

Fiscal Impact Summary

The State Accident Fund indicates this bill would have an expenditure impact on the General Fund, but an estimate could not be determined as the costs will depend upon the number of workers' compensation claims filed in a given year. This bill is not expected to impact Federal Funds or Other Funds.

This bill would have a local expenditure impact on municipal and county governments of \$1,950,000 to \$5,475,000 in FY 2015-16 based on estimates from the Municipal Association and counties on increased premium costs and incurred claims expenses.

Explanation of Fiscal Impact

State Expenditure

This bill amends Section 42-1-160 by modifying the requirements of first responders seeking workers' compensation for personal injury caused by stress, mental injury, or mental illness.

State Accident Fund. The State Accident Fund reports this bill could increase claim costs and awards for state agencies and local governments. Although the Agency reports that the increased costs could have a significant impact on the General Fund, an estimate on the increase could not be determined as the additional costs will depend upon the number of workers' compensation claims filed in a given year.

Workers' Compensation Commission. The Workers' Compensation Commission reports this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

N/A

Local Expenditure

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina, the South Carolina Association of Counties, and thirteen county governments regarding the expenditure impact of this bill. We received responses from the Municipal Association, the South Carolina Association of Counties, and six county governments.

The Municipal Association reports the expenditure impact of this bill would be an estimated five percent to twenty percent in the cost of premiums for first responders. Based on data provided by the Municipal Association and prorating for a municipal impact statewide, we estimate an increase in municipal premiums for first responders of \$950,000 at a five percent increase to \$3,775,000 at a twenty percent increase in FY 2015-16.

The South Carolina Association of Counties did not release data on incurred claims costs or premiums on the counties affiliated with their insurance pool due to the proprietary nature of the data.

Our office received responses from Barnwell, Charleston, Chester, Florence, Lancaster and York Counties on the expenditure impact of this bill.

Barnwell County. Barnwell County reports this bill could increase incurred claims expenses by fifteen to twenty percent, which equates to additional expenses of \$7,193 and \$9,590, respectively.

Charleston County. Charleston County reports this bill could have a significant expenditure impact but could not place a dollar amount on the impact.

Chester County. Chester County reports this bill could increase incurred claims expenses by fifteen to twenty percent, which equates to additional expenses of \$3,020 and \$4,025, respectively.

Florence County. Florence County reports this bill could increase incurred claims expenses by fifteen to twenty percent, which equates to additional expenses of \$25,000 and \$35,000, respectively.

Lancaster County. Lancaster County reports this bill could increase incurred claims expenses by fifteen to twenty percent, which equates to additional expenses of \$36,520 and \$48,693, respectively.

York County. York County estimates this bill would have an expenditure impact of \$40,000.

Based on information received from the responding counties and prorating for a county impact statewide, we estimate an increase in incurred claims expenses for first responders of \$1,000,000 at a fifteen percent increase to \$1,700,000 for a twenty percent increase in FY 2015-16.

Local Revenue

N/A



Frank A. Rainwater, Executive Director