



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 1064
Author: Young
Subject: Insurers writing workers' compensation policies
Requestor: Senate Banking and Insurance
RFA Analyst(s): Stein and Wren
Impact Date: March 9, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

Explanation of Fiscal Impact

State Expenditure

This bill amends Section 38-73-525 relating to workers' compensation insurance policy writers. The bill requires workers' compensation insurers, when filing for approval of new rates, to use the most recent loss cost within 120 days of approval, or the most recently approved loss cost, when it submits its loss cost multiplier. The bill also amends Section 38-73-1210 relating to rating organizations. The bill allows insurers to satisfy their obligation to make required rule and form filings, though not loss cost filings, by becoming a member of a licensed rating organization. However, if the organization has received approval for a rate increase within twelve months of the insurer becoming a member, the insurer must file for approval of the loss cost and loss cost multiplier used to develop the requested rate change. This filing is subject to approval by the director of the Department of Insurance or his designee.

The Department of Insurance and the Workers' Compensation Commission report that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

N/A

Local Expenditure and Revenue

N/A



Frank A. Rainwater, Executive Director