



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0493	Amended by Senate Banking and Insurance on May 1, 2019
Author:	Senn	
Subject:	Uninsured Motorists	
Requestor:	Senate Banking and Insurance	
RFA Analyst(s):	Miller	
Impact Date:	May 8, 2019	

Fiscal Impact Summary

This bill broadens the allowed proof of cause for uninsured automobile accident claims and will have no impact on the Department of Insurance (DOI) because it does not alter their responsibilities.

This bill may have an undetermined impact on the General Fund and Other Funds insurance premium tax revenue, beginning in FY 2019-20, due to a potential change in insurance premiums.

Explanation of Fiscal Impact

Amended by Senate Banking and Insurance on May 1, 2019

State Expenditure

This bill as amended creates a right of action or recovery under the uninsured motorist provision of insurance if the injured claimant can prove by photographic or video evidence that the damage or injury was caused by an unknown vehicle. Currently, an insured has a right of action or recovery under uninsured motorist insurance coverage if the injury or damage is caused by physical contact with the unknown vehicle or the accident is witnessed by someone other than the owner or operator of the insured vehicle and the witness signed an affidavit attesting to the truth of the accident. This amended bill broadens the allowed proof of cause for the accident to include photographic or video evidence of the damages.

This bill will have no fiscal impact on the Department of Insurance as there is no change in the department's responsibilities.

State Revenue

This amended bill may result in a change in premiums depending upon the number of claims filed against insurance. However, we are unable to estimate the impact to premiums. Any change in premiums will result in a change in insurance premium tax revenue of 1.25 percent of premiums. Insurance premium tax revenue is split 97.75 percent to the General Fund and 2.25 percent to Other Funds. Therefore, this bill may have an undetermined impact on the General Fund and Other Funds insurance premium tax revenue, beginning in FY 2019-20.

Local Expenditure and Revenue

N/A

Introduced on February 7, 2019

State Expenditure

This bill grants a right of action and recovery under an uninsured motorist insurance policy for the insured for injury or damage caused by an unknown vehicle or the insured can prove that the injury or damage was caused by an unknown vehicle by an electronic or other recording or other clear and convincing evidence.

Currently, an insured has a right of action or recovery under uninsured motorist insurance coverage if the injury or damage is caused by physical contact with the unknown vehicle or the accident is witnessed by someone other than the owner or operator of the insured vehicle and the witness signed an affidavit attesting to the truth of the accident.

This bill broadens the allowed proof of cause for the accident to include electronic or other recording or by other clear and convincing evidence. Also, this bill no longer requires the damage or injury be by physical contact and allows an action if the insured can prove the damage was caused by an unknown vehicle by an electronic or other recording or other clear and convincing evidence.

This bill will have no fiscal impact on the Department of Insurance as there is no change in the department's responsibilities.

State Revenue

This bill broadens the allowed proof of cause for an accident caused by an unknown vehicle to include electronic or other recording or by other clear and convincing evidence. Also, this bill no longer requires the damage or injury be by physical contact.

This bill may result in a change in premiums depending upon the number of claims filed against insurance. However, we are unable to estimate the impact to premiums. Any change in premium will result in a change in insurance premium tax revenue of 1.25 percent of premiums. Insurance premium tax revenue is split 97.75 percent to the General Fund and 2.25 percent to Other Funds. Therefore, this bill may have an undetermined impact on the General Fund and Other Funds insurance premium tax revenue, beginning in FY 2019-20.

Local Expenditure and Revenue

N/A



Frank A. Rainwater, Executive Director