



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 1064 As signed by the Governor on June 3, 2016
Author: Young
Subject: Insurers writing workers' compensation policies
Requestor: Senate
RFA Analyst(s): Wren and Stein
Impact Date: June 6, 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 as amended would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

Explanation of Fiscal Impact

Explanation of Amendment by the Senate on April 7, 2016

State Expenditure

This bill as amended makes technical changes to Section 38-73-525 relating to workers' compensation insurance policy writers. The bill adjusts the time for filing approval of new rates in the use of the most recent loss cost from one hundred twenty days to sixty days. Additionally, the multiplier for expenses, assessments, profits, and contingencies must be filed at least sixty days, instead of thirty days, before using the new multiplier. The bill also makes a technical change to Section 38-73-1210 to provide distinctions between property and casualty insurance and workers' compensation insurance as each relates to rating organizations. Since this bill provides technical changes, the impact of the bill as amended is unchanged from the bill as filed on February 4, 2016.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Explanation of Bill Filed on February 4, 2016**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