



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	S. 1050	Introduced on February 14, 2024
Author:	Garrett	
Subject:	Liquor Liability Policies	
Requestor:	Senate Banking and Insurance	
RFA Analyst(s):	Vesely	
Impact Date:	March 12, 2024	

Fiscal Impact Summary

This bill amends Section 38-1-20(22), the definition of “exempt commercial policies” to exclude liquor liability policies and general liability policies with liquor liability endorsements that are required for certain businesses.

This bill will increase General Fund expenses by up to \$30,000 for the Department of Insurance (DOI) beginning in FY 2024-25; this expense will cover the contract with an actuarial consultant to assist in the review of additional filings of liquor liabilities due to this bill. DOI anticipates requesting a General Fund appropriation increase to cover this expense.

This bill is expected to have no General Fund or Other Funds revenue impact as DOI anticipates that there will be no impact to insurance premiums.

Explanation of Fiscal Impact

Introduced on February 14, 2024

State Expenditure

This bill amends Section 38-1-20(22), the definition of “exempt commercial policies” to exclude liquor liability policies and general liability policies with liquor liability endorsements that are required for certain businesses. Excluding these liquor liability policies from exempt commercial policies would require insurers to file rates and plans with DOI. Currently, these insurers do not file rates and plans with DOI as their policies are exempt.

DOI regulates and supervises insurance policies and insurers within the state. DOI anticipates that the review process for these additional filings would require contracting with an actuarial consultant, which is expected to cost between \$25,000 and \$30,000 annually. Therefore, the General Fund expenditure impact of this bill is \$25,000 to \$30,000 beginning in FY2024-25. The agency anticipates requesting an increase in General Fund appropriations to cover this expense.

State Revenue

DOI does not anticipate that this bill would impact insurance premiums. However, any resulting change in insurance premiums would result in a change to insurance premiums tax revenue. For information, these insurance policies are subject to a tax levied at 1.25 percent of the total value of the premiums written. Of these premium taxes, 97.75 percent is transferred to the General

Fund, 1.00 percent is transferred to the S.C. Forestry Commission, 1.00 percent is transferred to the V-SAFE program, and 0.25 percent is transferred to the EMS regional councils to fund EMS and paramedic training. However, as this bill is not expected to impact insurance premiums, there is no impact to General Funds and Other Funds revenue.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director