



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0976
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Subject: Insurance Broker Licenses
Requestor: Senate Banking and Insurance
RFA Analyst(s): Stein and Shuford
Impact Date: February 1, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18	FY 2018-19
State Expenditure			
General Fund	\$0	\$0	\$0
Other and Federal	\$0	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00	0.00
State Revenue			
General Fund	\$0	\$0	(\$60,000 to \$100,000)
Other and Federal	\$0	\$0	\$0
Local Expenditure	\$0	\$0	\$0
Local Revenue	\$0	\$0	\$0

Fiscal Impact Summary

This bill is estimated to reduce General Fund revenue by \$60,000 to \$100,000 biennially in even numbered years beginning in FY 2018-19. 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 Chapters 1, 43, and 45 of Title 38 relating to the licensing of insurance brokers. The bill provides that an insurance broker's license is not required of property and casualty insurance producers when placing surplus lines insurance through a licensed insurance broker.

The Department of Insurance indicates that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

This bill will allow a licensed insurance broker to sell, solicit, or negotiate insurance on behalf of the uninsured, without the requirement of a surplus lines insurer. Based on information provided by the Department of Insurance, we estimate that 300 to 500 licensed insurance brokers also maintain a surplus lines license. These licensees will no longer require the surplus lines license. Each surplus lines licensee remits a \$200 initial fee or renewal fee biennially in even numbered years. We estimate that this reduction in the number of licenses will reduce General Fund insurance revenue by \$60,000 to \$100,000 in FY 2018-19.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director