



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4657 Amended by the House of Representatives on February 14, 2018  
**Author:** Sandifer  
**Subject:** Title 38  
**Requestor:** Senate Banking and Insurance  
**RFA Analyst(s):** Gable  
**Impact Date:** March 7, 2018

**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	Undetermined	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill would have an undetermined, yet minimal, revenue impact on the General Fund, beginning in FY 2018-19, as the increased scope of potential violators subject to administrative penalties is expected to be minimal. This bill would have no impact on Other Funds or Federal Funds.

**Explanation of Fiscal Impact**

**Amended by the House of Representatives on February 14, 2018**

**State Expenditure**

This bill modifies the requirement for examination by the Department of Insurance (DOI) of Health Maintenance Organizations from three years to five years. There are only thirteen Health Maintenance Organizations active in the state, therefore, this bill would not materially alter the department's oversight activities. Any expenditure savings associated with less frequent exams would be minimal and would be reallocated for other oversight administration within the agency, therefore, this bill would have no expenditure savings for DOI.

**State Revenue**

This bill allows the director of the Department of Insurance (DOI) to apply administrative penalties when federal violations under DOI's jurisdiction occurs. Additionally, this bill adds individuals and Health Management Organizations to the list of potential violators subject to administrative penalties. Currently, DOI may apply administrative penalties for state violations committed by insurers. This bill expands the application of administrative penalties. However,

as federal and state violations are similar in nature, this is not expected to increase the number of penalties applicable. Also, DOI believes the expansion to include individuals and Health Maintenance Organizations subject to administrative penalties would have a minimal increase, as there are so few individuals and Health Maintenance Organizations that would be subject to these penalties. Therefore, the revenue impact the General Fund is undetermined, but anticipated to be minimal, beginning in FY 2018-19.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director