



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4244 Amended by the Senate on May 7, 2019
Author: Sandifer
Subject: Service Contract Requirements
Requestor: Senate Banking and Insurance
RFA Analyst(s): Miller
Impact Date: June 12, 2019

Fiscal Impact Summary

This bill will have no expenditure impact on the Department of Insurance (DOI) because DOI anticipates being able to manage any potential change to the registration and registration renewal process for service contract providers.

Additionally, this bill as amended will have no expenditure impact on the Governor's Office or the Senate as the clarifications reflect current interim appointment practices and do not alter the roles and responsibilities of the Governor and the Senate.

Explanation of Fiscal Impact

Amended by the Senate on May 7, 2019

State Expenditure

This bill clarifies the definition of service contract for purposes of insurance to include contracts with separate consideration that deal with tire and wheel repair, certain types of vehicle body damage repairs, and key or key fob replacement among other contracts. This bill also clarifies that warranties include theft protection warranties under Chapter 78 of Title 38. Additionally, service contract providers that have filed financials to procure reinsurance coverage are not required to provide financials for the application of registration or registration renewal with DOI. DOI anticipates being able to manage any change in administration of registration or registration renewal for service contract providers due to the bill within existing appropriations. Therefore, this bill will have no expenditure impact on DOI.

Additionally, this bill as amended clarifies the procedure for an interim appointment made by the Governor when an office that is normally filled by an appointment of the Governor with the advice and consent of the Senate becomes vacant during the interim period between regular legislative sessions. Since the clarifications reflect current interim appointment practices and do not alter the roles and responsibilities of the Governor and the Senate, this bill will have no impact to the General Fund.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Amended by the House of Representatives on April 2, 2019

State Expenditure

This bill clarifies the definition of service contract for purposes of insurance to include contracts with separate consideration that deal with tire and wheel repair, certain types of vehicle body damage repairs, and key or key fob replacement among other contracts. This bill also clarifies that warranties include theft protection warranties under Chapter 78 of Title 38. Additionally, service contract providers that have filed financials to procure reinsurance coverage are not required to provide financials for the application of registration or registration renewal with DOI.

DOI anticipates being able to manage any change in administration of registration or registration renewal for service contract providers due to the bill within existing appropriations. Therefore, this bill will have no expenditure impact on DOI.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director