



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-3780 • RFA.SC.GOV/IMPACTS

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:	H. 4220	Amended by the House of Representatives on March 30, 2022
Author:	Sandifer	
Subject:	Life Insurance	
Requestor:	Senate Banking and Insurance	
RFA Analyst(s):	Tipton	
Impact Date:	April 15, 2022	

Fiscal Impact Summary

This bill allows an insurance provider to rescind a life insurance policy within the two-year contestability period under an agreement of mutual rescission based on false statements made in the application or upon proving fraudulent or material misrepresentation by the insured.

This bill will have no expenditure impact as it does not significantly alter the regulatory responsibilities of the Department of Insurance (DOI) nor will it impact the agency's operational procedures or expenses.

This bill will have no revenue impact as DOI indicates that there will be no significant change life insurance premiums and corresponding premium tax revenue.

Explanation of Fiscal Impact

Amended by the House of Representatives on March 30, 2022

State Expenditure

This bill allows an insurance provider to rescind a life insurance policy within the two-year contestability period under an agreement of mutual rescission based on false statements made in the application or upon proving fraudulent or material misrepresentation by the insured. An insurer must include a check reimbursing the insured, policy holder, or beneficiary the premium paid to the insurer on the policy and the notice of rescission. Upon cashing or depositing the premium reimbursement check, the insured, policy owner, or beneficiary enters into the agreement of mutual rescission and the policy is rescinded and void.

This bill will not significantly affect DOI's regulatory responsibilities of life insurance providers, nor will it affect the agency's operational procedures or expenses. Therefore, this bill will have no expenditure impact.

State Revenue

This bill allows an insurance provider to rescind a life insurance policy within the two-year contestability period under an agreement of mutual rescission based on false statements made in the application or upon proving fraudulent or material misrepresentation by the insured.

DOI indicates that this bill will have no significant impact on life insurance premiums and corresponding premium tax revenue. As a result, this bill will have no revenue impact.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director