



**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.*

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**Bill Number:** S. 0543    Introduced on February 16, 2023  
**Author:** Alexander  
**Subject:** IRF Coverage  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Tipton  
**Impact Date:** March 25, 2024

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### **Fiscal Impact Summary**

This bill directs the State Fiscal Accountability Authority (SFAA), through the Insurance Reserve Fund (IRF), to provide insurance coverage for state departments, agencies, commissions, boards, and all state personnel for actions under 42 U.S.C. Å§ 1983, conspiracy allegations, conversion claims, and employment law. Any resulting judgment against a state department or other qualified entity must be paid from the insurance, provided that the covered person or persons were operating in good faith, without malice, and within the scope of their employment. Coverage must be provided in the minimum amount of \$1,000,000 per person and per department or other qualified entity named in a suit. At the request of a department, agency, institution, commission, or board, the IRF shall obtain coverage in excess of these amounts. The bill states that the provisions of this section do not waive any immunities, defenses, or liability limits applicable to the state and the entities and personnel who are the subject of any claims or litigation.

The fiscal impact of this bill is pending, contingent upon further review by SFAA. To note, the agency has expressed concerns that the bill does not allow for assessments of insured members to recover payments for a judgment delivered under the aforementioned claims.

### **Explanation of Fiscal Impact**

#### **Introduced on February 16, 2023**

##### **State Expenditure**

This bill directs SFAA, through the IRF, to provide insurance coverage for state departments, agencies, commissions, boards, and all state personnel for actions under 42 U.S.C. Å§1983, conspiracy allegations, conversion claims, and employment law. Any resulting judgment against a state department, agency, institution, commission, or board must be paid from the insurance, provided that the director of the department, agency, institution, commission, or board or his designee certifies in writing that the officers and other personnel acted in good faith, without malice, and within the scope of their employment. The bill requires coverage in the minimum amounts of \$1,000,000 per person and per department, agency, institution, commission, or board named in the suit. At the request of the department, agency, institution, commission, or board, the IRF shall obtain coverage in excess of these amounts. The bill states that the provisions of

this section do not waive any immunities, defenses, or liability limits applicable to the state and the entities and personnel who are the subject of any claims or litigation.

The fiscal impact of this bill is pending, contingent upon further review by SFAA. To note, the agency has expressed concern that the bill does not allow for assessments of insured agencies, institutions, commissions, or boards to recover payments for a judgment delivered under the aforementioned claims.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director