



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.

Bill Number:	H. 4792	Introduced on January 13, 2026
Subject:	Insurance Penalties and Fees	
Requestor:	House Labor, Commerce, and Industry	
RFA Analyst(s):	Vesely	
Impact Date:	February 26, 2026	

Fiscal Impact Summary

This bill increases the maximum administrative penalty for certain insurance violations from \$15,000 to \$25,000 and from \$30,000 to \$250,000 if the violation is willful. This bill also increases the pharmacy benefits manager (PBM) license application fee from \$1,000 to \$25,000 and the annual renewal fee from \$500 to \$10,000.

This bill is not expected to increase General Fund revenue as DOI reports that few administrative penalties are currently levied and rarely at the maximum allowable amount. Additionally, this bill may increase Other Funds revenue for DOI by up to \$447,000 beginning in FY 2026-27 for the increase in PBM license application and renewal fees, depending on the number of initial license applications and renewals. DOI notes the increased fee amount may result in fewer PBM initial or renewed licensing in the state.

Explanation of Fiscal Impact

Introduced on January 13, 2026

State Expenditure

N/A

State Revenue

This bill increases the maximum administrative penalty for certain insurance violations from \$15,000 to \$25,000 and from \$30,000 to \$250,000 if the violation is willful. This bill also increases the PBM license application fee from \$1,000 to \$25,000 and the annual renewal fee from \$500 to \$10,000.

DOI oversees and enforces insurance laws and is responsible for levying administrative penalties. The revenue from these penalties is deposited in the General Fund. DOI reports that few administrative penalties are currently levied and rarely at the maximum allowable amount. Therefore, increasing the maximum allowable amount for an administrative penalty is not expected to have an impact on General Fund revenue.

Additionally, DOI oversees the licensing of PBMs within the state. DOI indicates that in calendar year 2025 there were 5 initial PBM licensures and 37 renewals. Also, over the past five years, there has been an average of 2.4 initial licensures annually. Assuming 2 initial PBM

licensure and 42 renewals (the 37 renewals from 2025 and the renewal of the 5 initial licensures) of existing licenses, license revenue under existing law would total \$23,000. Under the new licensure fees of this bill, license revenue would total \$470,000, for a total revenue increase of \$447,000. Therefore, this bill may increase Other Fund revenue by up to \$447,000 beginning in FY 2026-27. However, DOI notes that some PBMs are small and may choose not to apply for or renew a license in the state due to the increased fees, leading to a potential decline in initial license applications and renewals.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director