



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:	S. 0220	Introduced on January 15, 2025
Subject:	Insurance Holding Company Regulatory Act	
Requestor:	Senate Banking and Insurance	
RFA Analyst(s):	Vesely	
Impact Date:	January 31, 2025	

Fiscal Impact Summary

This bill amends Chapter 21 of Title 38 of South Carolina law, defining various aspects of insurance holding companies and amending regulatory standards to which they are subject. This bill makes conforming changes to comply with the National Association of Insurance Commissioners' (NAIC) requirements of accredited state departments of insurance oversight of insurance holding companies.

This bill will have no expenditure impact for the Department of Insurance (DOI) as the agency anticipates the increase in workload due to this bill can be managed with existing staff and within existing resources.

This bill has no revenue impact; however, DOI noted that the failure to conform to accreditation standards may potentially lead to the loss of domiciled insurers willing to participate in the state's insurance market and fewer new firms entering the market. DOI stated the impact to premiums, and thereby, premium tax revenue due to insurers leaving the state's insurance market could be substantial.

Explanation of Fiscal Impact

Introduced on January 15, 2025

State Expenditure

This bill amends Chapter 21 of Title 38 of South Carolina law, defining various aspects of insurance holding companies and amending regulatory standards they are subject to. This bill makes conforming changes to comply with NAIC's requirements of accredited state departments of insurance oversight of insurance holding companies. In December 2024, the NAIC adopted these changes as part of their accreditation standards, effective January 1, 2026.

DOI regulates and monitors insurers in South Carolina. This bill effectively formalizes the existing standards at DOI and allows DOI to maintain their accreditation with the NAIC. DOI has indicated that the changes in this bill would increase the workload on their insurance analysts, but it is expected to manage this workload with existing staff and resources. Therefore, this bill will have no expenditure impact to the agency.

State Revenue

This bill has no revenue impact; however, DOI noted that the failure to conform to accreditation standards may potentially lead to the loss of domiciled insurers willing to participate in the state's insurance market and fewer new firms entering the market. DOI stated the impact to premiums, and thereby, premium tax revenue due to insurers leaving the state's insurance market could be substantial.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director