Agency Name:	Department Of Insurance		
Agency Code:	R200	Section:	78

Fiscal Year FY 2026-2027
Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS
(FORM B1)

For FY 2026-2027, my agency is (mark "X"):	
X	Requesting General Fund Appropriations.
X	Requesting Federal/Other Authorization.
	Not requesting any changes.

NON-RECURRING REQUESTS
(FORM B2)

For FY 2026-2027, my agency is (mark "X"):	
	Requesting Non-Recurring Appropriations.
	Requesting Non-Recurring Federal/Other Authorization.
X	Not requesting any changes.

CAPITAL REQUESTS
(FORM C)

For FY 2026-2027, my agency is (mark "X"):	
	Requesting funding for Capital Projects.
X	Not requesting any changes.

PROVISOS
(FORM D)

For FY 2026-2027, my agency is (mark "X"):	
	Requesting a new proviso and/or substantive changes to existing provisos.
	Only requesting technical proviso changes (such as date references).
X	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	Name	Phone	Email
PRIMARY CONTACT:	Tom Watson	(803) 737-6141	twatson@doi.sc.gov
SECONDARY CONTACT:	Mia Mills	(803) 737-6111	mmills@doi.sc.gov

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	Board or Commission Chair
SIGN/DATE:	Michael Wise 9/26/25	
TYPE/PRINT NAME:	Michael Wise	

This form must be signed by the agency head – not a delegate.

Agency Name:	Department Of Insurance
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BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Insurance Fraud Division Expansion (Phase 2)	3,934,995	0	0	0	3,934,995	6.00	0.00	0.00	0.00	6.00
2	B1 - Recurring	Staff Expansion in Other Programs: Actuarial & Market Servicess Product Regulation; Consumers and Outreach; and Captives	1,215,837	0	341,691	0	1,557,528	8.00	0.00	3.00	0.00	11.00
TOTALS			5,150,832	0	341,691	0	5,492,523	14.00	0.00	3.00	0.00	17.00

Agency Name:	Department Of Insurance		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	**1**
	Provide the Agency Priority Ranking from the Executive Summary.
TITLE	**Insurance Fraud Division Expansion (Phase 2)**
	Provide a brief, descriptive title for this request.
AMOUNT	**General: $3,934,995** **Federal: $0** **Other: $0** **Total: $3,934,995**
	What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.
NEW POSITIONS	**6.00**
	Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

X	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
X	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
X	IT Technology/Security related
X	HR/Personnel Related
	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:

	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
X	Government and Citizens

ACCOUNTABILITY OF FUNDS

During fiscal year 2025 and into 2026, the Agency has participated in several legislative committees: Government Efficiency & Legislative Oversight Committee and the Labor, Commerce and Industry Committee. Both committees are represented by members of the SC House of Representatives. During these multiple hearings, all areas of the agency have been studied and examined in detail. The Insurance Fraud Division's current resources are much smaller than neighboring states with similar size. This request supports the recommendations received by both committees to help combat insurance fraud in SC, thereby reducing the overall cost of insurance for the portion of premium added to every policy to mitigate this risk. This request is our effort to gradually increase the resources overtime. Two direct performance measures from the Accountability Report are 3.3.5 and 3.4.2, number of reports of insurer fraud received Calendar Year and Complete Annual Report to the General Assembly; publish for stakeholders and consumers, respectively.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	The following staff would be hired to support triage, analysis and prosecution: Attorney IV; Attorney III; Attorney II; Paralegal and (2) Program Coordinators. Personnel, fringe and operating associated with this additional staff $1,119,745. We would also increase our number of SLED agents performing investigation, where we contract with SLED) as follows: SLED Lieutenant and (9) SLED agents. This amount is estimated to be $1,765,000. Other operating cost include satelite offices in Greenville and Charleston of $200,000. Outreach, advertising and other operating $700,250. Software application and technical infrastructure additions $150,000.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	If the Insurance Fraud Division is going to have a greater impact on reducing insurance fraud in South Carolina, then more resources are needed to address the large number of claims and crimes that are received each day. This request is our incremental attempt to expand the program and comply with the legislative recommendations.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Insurance		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	**2**
	Provide the Agency Priority Ranking from the Executive Summary.
TITLE	**Staff Expansion in Other Programs: Actuarial & Market Servicess Product Regulation; Consumers and Outreach; and Captives**
	Provide a brief, descriptive title for this request.
AMOUNT	**General: $1,215,837** **Federal: $0** **Other: $341,691** **Total: $1,557,528**
	What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.
NEW POSITIONS	**11.00**
	Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

X	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
X	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
X	HR/Personnel Related
	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:

	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
X	Government and Citizens

ACCOUNTABILITY OF FUNDS

During fiscal year 2025 and into 2026, the Agency has participated in several legislative committees: Government Efficiency & Legislative Oversight Committee and the Labor, Commerce and Industry Committee. Both committees are represented by members of the SC House of Representatives. During these multiple hearings, all areas of the agency have been studied and examined in detail. The Department's desires and requests to provide more analysis and reporting are the largest portion of this priority budget item. Strengthening our actuary and data analytics areas will allow the agency to significantly improve the quantity and quality of analysis and reporting.

One of our top strategic goals was to increase our outreach. Our limited outreach team, along with added consumer services employees have provided information and been present in all counties over the last year. By engaging the public more about the department's services, we have seen an uptick in the number of consumer inquiries/complaints and requests for us to attend events. Therefore, if we wish to continue with outreach, we need to add resources to both areas to maintain a level of service compatible with the increased volume.

Finally, effective fiscal year 2026, legislation for our Captives Division became effective that allows the department to retain 40% instead of 20% of the premium taxes collected from Captive Insurance Companies. These additional resources will allow us to improve the program and improve overall quality and services. We are only asking for additional authority and FTE's.

This request also supports the recommendations and discussions received by both committees.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

The following personnel ($1,530,028) and operating ($27,500) is being requested:

Actuary and Market Services Product Regulation: (2) Statistician II's; (1) Statistician III, increase in Actuary Pay (gap beyond the 95% Agency Head cap) and operating - total $753,316

Consumers and Outreach: (3) Insurance Analysts II; Program Coordinator I and Programmer II - total $462,521

Captives: Program Manager I and (2) Program Coordinator I - total $341,691

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

If the Department of Insurance is going to continue with outreach and communication efforts as well as perform more analysis and reporting to identify strategies, then more resources are necessary. This request is our incremental attempt to expand these programs and comply with the legislative suggestions and recommendations.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan (3% reduction of fiscal year 2026-2027 Recurring General Fund Appropriations based upon guidelines provided)

AMOUNT	$327,861

What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	None

How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	Almost all programs would be impacted by this "proposed" reduction. The Agency would attempt to reduce some of its operating costs in order to meet the mandated reduction.

What programs or activities are supported by the General Funds identified?

SUMMARY	To accomplish this reduction, we would have to postpone some of our planned IT initiatives; omit our normal advertising campaigns for flood and other disasters; and reduce contract labor. We continue to strive towards increasing our infrastructure as it relates to security and privacy. We continue to implement recommendations provided by the SC Dept. of Administration's Division of Technology (DTO). We also provide critical information to SC citizens regarding protection during and after disasters.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS	We analyze and project all of our major expenditures each month and for the fiscal year. This allows us to plan and adjust accordingly to ensure that we are maintaining effectiveness and efficiencies.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than $50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	SCDOI's Efforts to Reduce Cost and Burden to Businesses and Citizens
	Provide a brief, descriptive title for this request.
EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	The Agency routinely reviews all of its regulations to ensure that only minimal requirements are stipulated to carry out Title 38 and other insurance related laws. The savings is not readily quantifiable.
	What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.
FACTORS ASSOCIATED WITH THE REQUEST	**Mark "X" for all that apply:** X Repeal or revision of regulations. Reduction of agency fees or fines to businesses or citizens. X Greater efficiency in agency services or reduction in compliance burden. Other
METHOD OF CALCULATION	N/A
	Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.
REDUCTION OF FEES OR FINES	We annually maintain and update a list of the fines and fees for the previous fiscal year and the associated statute. However, no immediate reductions are planned at this time.
	Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?
REDUCTION OF REGULATION	The Department completed its review of regulations within the past few months. Noted by each regulation is the action the Department proposes to take over the next five years if any. This analysis can and will be made available upon request.
	Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?
SUMMARY	The South Carolina Department of Insurance is committed to designing and maintaining an insurance regulatory system that protects the public interest without imposing unnecessary costs on its licensees. Accordingly, the agency routinely reviews its processes, procedures and regulatory framework to automate processes that can be automated and to determine which regulations should be modified, streamlined or repealed. We recently completed the annual yearly review. The purpose of the review is to make regulation more effective or less burdensome in achieving regulatory objectives. Modifying regulations to comply with applicable law ensures that our consumers are afforded the protections intended by the legislature. Repealing unnecessary regulations may reduce the costs to licensees which may enable the licensee to provide coverage to the citizens of this state at a reasonable cost.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?