

# State of South Dakota

EIGHTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2007

400N0263

## HOUSE BILL NO. 1053

Introduced by: The Committee on Commerce at the request of the Department of Revenue  
and Regulation

1 FOR AN ACT ENTITLED, An Act to provide certain standards for health maintenance  
2 organizations in individual health insurance.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 58-41-26 be amended to read as follows:

5 58-41-26. Any health maintenance organization is exempt from all provisions of the  
6 insurance laws of this state other than this chapter. However, the corporation is subject to the  
7 provisions of this title on matters and procedures of mergers and licensure of insurance  
8 producers. The corporation is also subject to fees and taxation as insurers under § 58-2-29 and  
9 chapter 10-44. The corporation is also subject to §§ 58-17-53 and 58-17-54 if entering into a  
10 contract after July 1, 1990, with the State of South Dakota, counties, school districts,  
11 municipalities, and any other unit of state government using public funds. For any individual  
12 health insurance contracts or policies, the health maintenance organization shall comply with  
13 the provisions of §§ 58-17-2 to 58-17-47, inclusive, 58-17-55 to 58-17-61, inclusive, 58-17-97,  
14 and 58-17-100 to 58-17-106, inclusive. The state, however, may not collect premium taxes for  
15 insurance written on individuals residing outside this state or property located outside this state



- 1 if no comparable tax is paid by the direct writing health maintenance organization to any
- 2 appropriate taxing authority.