



2024 South Dakota Legislature

Senate Bill 41

Introduced by: The Chair of the Committee on Commerce and Energy at the request of the Department of Labor and Regulation

1 **An Act to modify an administrative procedure for revoking a nonresponsive**
 2 **insurance producer's license.**

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

4 **Section 1. That chapter 58-30 be amended with a NEW SECTION:**

5 If the director has reasonable evidence that a licensed insurance producer has
 6 violated any provision of this title and the licensed producer has also violated subdivision
 7 58-33-66(1) for failing to respond to division inquiries regarding the same, the director
 8 may, after sufficient notice, revoke the producer's license by an order of the director
 9 without a hearing. An order under this section must include the applicable provisions of §
 10 58-4-16 and chapter 1-26 for final agency decisions and must be accompanied by exhibits
 11 demonstrating the alleged violations.

12 For purposes of this section, the term "sufficient notice" means:

- 13 (1) The producer is provided notice of the alleged violations at the producer's last
 14 reported mailing address on file with the director; and
 15 (2) The producer is provided a second notice at the producer's last reported mailing
 16 address on file with the director stating the producer is in violation of § 58-33-66
 17 and must respond to avoid administrative action by the division.

18 **Section 2. That chapter 58-30 be amended with a NEW SECTION:**

19 An order under section 1 of this Act must allow sixty days for the producer to
 20 request a hearing in writing. If a timely request for hearing is received, the director shall
 21 issue a notice of hearing within thirty days. The office of hearing examiners shall hold the
 22 hearing, review the director's order with the evidence presented at hearing, and issue a
 23 proposed decision. If a producer does not timely request a hearing, the director's order
 24 revoking the license becomes the final agency decision pursuant to § 1-26-25.