

State of South Dakota

NINETY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2017

400Y0159

SENATE BILL NO. 51

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

1 FOR AN ACT ENTITLED, An Act to revise certain references regarding loans and investments
2 for insurance companies.

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

4 Section 1. That § 58-27-53 be amended to read:

5 58-27-53. An insurer may not, except with the consent of the director, have any combination
6 of investments in or loans upon the security of the obligations, property, or securities of any one
7 person, institution, corporation, or municipal corporation; aggregating an amount exceeding five
8 percent of the insurer's assets. This restriction does not apply to the following:

- 9 (1) ~~bonds~~ Bonds, notes, debentures, certificates, participations, or interest or other
10 obligations issued by, or the payment of which is guaranteed or insured by, the
11 United States Government or any agency or instrumentality or subdivision thereof;
- 12 (2) ~~obligations~~ Obligations of the Student Loan Marketing Association, the Federal
13 National Mortgage Association, or the Federal Home Loan Mortgage Corporation;
- 14 (3) ~~bonds~~ Bonds, notes, debentures, or other obligations issued by, or the payment of
15 which is guaranteed by, the State of South Dakota or any state as defined in



1 subdivision ~~58-1-2(16)~~ 58-1-2(17); or

2 (4) ~~policy~~ Policy loans made under § 58-27-31 or investments made pursuant to either
3 § 58-27-25 or 58-27-26, or both.

4 Section 2. That § 58-27-57 be amended to read:

5 58-27-57. Except with the director's consent, no insurer may have invested at any one time
6 more than forty percent of its assets in the class of securities described in subdivisions 58-27-
7 17(1), (2), (3), and (4) and in § 58-27-28, exclusive of obligations of the Student Loan
8 Marketing Association, public utilities and securities described in §§ 58-27-103 and 58-27-104,
9 and obligations guaranteed or insured by the United States government or any instrumentality
10 or subdivision thereof; or any state as defined in subdivision ~~58-1-2(16)~~ 58-1-2(17). For
11 purposes of determining compliance with this section, the investments under subdivision 58-27-
12 17(4) are limited to those mutual funds that are investing at least ninety percent in bonds defined
13 in subdivisions 58-27-17(1), (2), and (3) and §§ 58-27-9 to 58-27-13, inclusive.

14 Section 3. That subdivision (1) of § 58-27-78 be amended to read:

15 (1) "Clearing corporation," a corporation as defined in subdivision ~~57A-8-102(3)~~ 57A-8-
16 102(5);

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