



2020 South Dakota Legislature
Senate Bill 11
ENROLLED

AN ACT

ENTITLED An Act to revise certain provisions regarding third party insurance plan administrators.

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

Section 1. That a NEW SECTION be added:

58-29D-22.1. Annual financial statement--Contents of application--Required audit.

Any annual financial statement or report required under § 58-29D-22 must be audited. The applicant is presumed to be solvent if the applicant has a positive net worth.

If the applicant has been in existence for less than two fiscal years, the applicant shall include in the application all financial statements or reports, certified by an officer of the applicant and prepared in accordance with generally accepted accounting principles, for any completed fiscal year and for any month during the current fiscal year for which the financial statements or reports have been completed. If information provided pursuant to this section is prepared on a consolidated or combined basis, the applicant shall include a columnar consolidating or combining worksheet with the report or renewal and shall include in the worksheet the following:

- (1) Amounts shown on the consolidated audited financial report or renewal;
- (2) Amounts for each entity stated separately; and
- (3) Explanations of consolidating and eliminating entries.

Section 2. That § 58-29D-27 be AMENDED:

58-29D-27. Servicer of certain employee benefit plans--Exempt from licensure--Requirements.

A person is not required to hold a license as an administrator in this state if the person exclusively provides services to one or more bona fide employee benefit plans, each of which is established by an employer or an employee organization, or both, and

for which the insurance laws of this state are preempted pursuant to the Employee Retirement Income Security Act of 1974. Any person not required to hold a license shall register with the director annually, verifying the person's status if the person directly or indirectly underwrites, collects charges or premiums from, or adjusts or settles claims of residents of this state in connection with a self-funded plan other than a governmental or church plan offering life, annuity, or health coverage.

An Act to revise certain provisions regarding third party insurance plan administrators.

I certify that the attached Act originated in the:

Received at this Executive Office this ____ day of _____,

Senate as Bill No. 11

2020 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby approved this _____ day of _____, A.D., 2020

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Speaker of the House

Attest:

Filed _____, 2020
at _____ o'clock __ M.

Chief Clerk

Secretary of State

Senate Bill No. 11
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State