

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

572B0601

HOUSE BILL NO. 1249

Introduced by: Representatives Lee, Crisp, Fischer-Clemens, Hagen, Kazmerzak, Schaunaman,
Van Gerpen, and Weber and Senators Dennert and Drake

1 FOR AN ACT ENTITLED, An Act revise certain provisions regarding credit life and credit
2 health insurance.

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

4 Section 1. That § 58-19-2 be amended to read as follows:

5 58-19-2. ~~For the purpose of~~ Terms used in this chapter mean:

- 6 (1) "Credit health insurance," ~~means~~ insurance on a debtor to provide indemnity for
7 payments becoming due on a specific loan, lease, or other credit transaction while the
8 debtor is disabled as defined in the policy;
- 9 (2) "Credit life insurance," ~~means~~ insurance on the life of a debtor pursuant to or in
10 connection with a specific loan, lease, or other credit transaction;
- 11 (3) "Creditor," ~~means~~ the lender of money or vendor or lessor of goods, services, or
12 property, rights or privileges, for which payment is arranged through a credit
13 transaction, or any successor to the right, title or interest of any such lender, vendor,
14 or lessor, and an affiliate, associate or subsidiary of any of them or any director,
15 officer or employee of any of them or any other person in any way associated with any

1 of them;

2 (4) "Debtor," ~~means~~ a borrower of money or a purchaser or lessee of goods, services,
3 property, rights or privileges for which payment is arranged through a credit
4 transaction;

5 (5) "Indebtedness," ~~means~~ the total amount payable by a debtor to a creditor in
6 connection with a loan, lease, or other credit transaction.

7 Section 2. That chapter 58-19 be amended by adding thereto a NEW SECTION to read as
8 follows:

9 No lessor may require a lessee to purchase credit insurance as a term or condition of the
10 lease.