

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

400E0303

HOUSE BILL NO. 1039

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

1 FOR AN ACT ENTITLED, An Act to subject certain health insurers to risk-based capital
2 requirements.

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

4 Section 1. That § 58-4-48 be amended to read as follows:

5 58-4-48. Any life and health and property and casualty insurer, and any insurer subject to
6 chapters 58-37A, 58-38, 58-39, 58-40, and 58-41, domiciled in this state shall maintain minimum
7 levels of risk-based capital to transact the business of insurance in this state. Each life and health
8 and property and casualty domestic insurer, and any insurer subject to chapters 58-37A, 58-38,
9 58-39, 58-40, and 58-41, shall file with the director, on or before March first of each year, a
10 report disclosing the insurer's level of risk-based capital. Any foreign life and health and property
11 and casualty insurer, and any insurer subject to chapters 58-37A, 58-38, 58-39, 58-40, and 58-
12 41, shall file a similar report upon the request of the director. The director of the Division of
13 Insurance may promulgate rules, pursuant to chapter 1-26, regarding the filing of risk-based
14 capital reports, the establishment of various minimum levels of risk-based capital requirements,
15 the criteria and standards for which an insurer shall be required to submit a risk-based capital

1 plan, the director's authority to revise or adopt the insurer's risk-based capital report or plan, the
2 opportunity for hearing regarding the director's decision to revise an insurer's risk-based capital
3 report or plan, the director's authority to require corrective actions, the confidentiality of
4 risk-based capital reports and plans, and the exemption of certain insurers from the requirements
5 of this section. The director may promulgate rules, pursuant to chapter 1-26, concerning the
6 filing of risk-based capital reports to assist the director in the evaluation of the hazardous
7 financial condition of an insurer pursuant to § 58-4-39.