

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

781E0395

SENATE BILL NO. 74

Introduced by: Senator Munson and Representative Konold

1 FOR AN ACT ENTITLED, An Act to add the Student Loan Marketing Association to certain
2 existing permitted investments of insurers and to declare an emergency.

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

4 Section 1. That § 58-27-57 be amended to read as follows:

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
7 58-27-17(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). For purposes of
11 determining compliance with this section, the investments under subdivision 58-27-17(4) are
12 limited to those mutual funds that are investing at least ninety percent in bonds defined in
13 subdivisions 58-27-17(1), (2), and (3) and §§ 58-27-9 to 58-27-13, inclusive.

14 Section 2. That § 58-27-51 be amended to read as follows:

15 58-27-51. Notwithstanding the aggregate limitations set forth in chapter 58-27, an insurer

1 may exceed such limitations if it does not invest, in the aggregate, an amount in excess of fifty
2 percent of its capital and surplus in excess of four hundred thousand dollars, if such investment
3 otherwise complies with chapter 58-27. The provisions of this section do not apply to the
4 exceptions set forth in § 58-27-53 or 58-27-57.

5 Section 3. Whereas, this Act is necessary for the immediate preservation of the public peace,
6 health, or safety, an emergency is hereby declared to exist, and this Act shall be in full force and
7 effect from and after its passage and approval.