

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

552E0528

SENATE BILL NO. 143

Introduced by: Senator Munson and Representative Broderick

1 FOR AN ACT ENTITLED, An Act to revise certain provisions related to the residency of the
2 directors of certain domestic insurers.

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

4 Section 1. That § 58-5-59 be amended to read as follows:

5 58-5-59. Each director shall be elected from and by the members or stockholders of a
6 domestic insurer. However, directors of a domestic insurer, which is a wholly owned subsidiary
7 ~~of another corporation~~ by one or more other corporations or other legal entities, need not be
8 stockholders. A majority of the board of directors of a domestic insurer shall be citizens and
9 actual bona fide residents of this state, but ~~the~~ this requirement does not apply if the insurer is
10 a member of an insurance holding company system and is controlled by a person who is not a
11 resident of this state or whose principal place of business is outside this state. The provisions of
12 this section do not apply to any insurer if in excess of one thousand persons are entitled to vote
13 in its election of directors and a majority thereof reside outside of this state or if less than one
14 percent of its shares outstanding are owned by residents of this state.