

AN ACT

ENTITLED, An Act to provide procedural requirements for ineligibility orders issued by the division of insurance and to repeal a surplus line insurer's responsibility to remit surplus lines tax not remitted by an unlicensed surplus lines broker.

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

Section 1. That § 58-32-24 be amended to read as follows:

58-32-24. The insurer with which surplus line insurance is placed shall be in compliance with either subdivision 58-32-22(1), (2), or (3) and not be ineligible as a surplus line insurer by order of the director received by or known to the broker. The director may issue such an order of ineligibility if the director finds, after a hearing conducted pursuant to chapter 1-26, that the insurer:

- (1) Does not meet the requirements of §§ 58-32-21 to 58-32-25, inclusive;
- (2) Has without just cause refused to pay claims arising under its contracts in the United States or has otherwise conducted its affairs in such manner as to result in injury or loss to the insuring public of the United States;
- (3) Has failed to file the annual statement required in § 58-32-16.1;
- (4) Has failed to provide information within twenty days of a request from the division;
- (5) Has utilized surplus lines brokers who were not properly licensed in this state; or
- (6) Has failed, within thirty days after notice, to provide the name of the broker that placed the insurance and the name of the insured.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1153

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1153
File No. _____
Chapter No. _____

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Received at this Executive Office this ____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20__

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State