



## 2024 South Dakota Legislature

# House Bill 1183

Introduced by: **Representative Auch**

1 **An Act to modernize the process for annual audits of third-party insurance**  
 2 **administrators.**

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

4 **Section 1. That § 58-29D-13 be AMENDED:**

5 **58-29D-13.** If an insurer utilizes the services of an administrator, the insurer ~~shall~~  
 6 ~~be~~ is responsible for determining the benefits, premium rates, underwriting criteria and  
 7 claims payment procedures applicable to such coverage and for securing reinsurance, if  
 8 any. The rules pertaining to these matters shall be provided, in writing, by the insurer to  
 9 the administrator. The responsibilities of the administrator as to any of these matters shall  
 10 be set forth in the written agreement between the administrator and the insurer. It is the  
 11 sole responsibility of the insurer to provide for competent administration of its programs.

12 In cases where an administrator administers benefits for more than one hundred  
 13 certificate holders on behalf of an insurer, the insurer ~~shall~~ must, at least semiannually,  
 14 conduct a review of the operations of the administrator. At least one ~~such~~ review ~~shall~~  
 15 must be an ~~on-site~~ audit of the operations of the administrator, whether conducted on-  
 16 site or virtually.