

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

715X0502

HOUSE BILL NO. 1229

Introduced by: Representatives Romkema, Beal, Brunner, Deutsch, Dryden, Gibson, Jensen (Alex), Verchio, Wiik, Wollmann, and Zikmund and Senators Ewing, Buhl O'Donnell, Curd, Greenfield (Brock), Monroe, Novstrup (David), and Peters

1 FOR AN ACT ENTITLED, An Act to revise provisions related to primary insurance of rental
2 cars.

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

4 Section 1. That § 58-23-4 be amended to read:

5 58-23-4. When an automobile insurance policy is in force for anyone engaged in the
6 business of selling, renting, repairing, servicing, storing, or parking motor vehicles and the
7 person or organization allows the use of a vehicle with or without consideration to any other
8 person or organization and the vehicle is involved in an accident out of which bodily injury or
9 property damage to third persons or damage to the insured vehicle arises, the following
10 automobile insurance policies shall be applicable:

11 (1) In the event no other automobile insurance policy is in force at the time of the
12 accident for the person or organization using the vehicle, the coverage provided by
13 the motor vehicle owner's automobile policy shall extend to the borrower in the event
14 the owner's automobile insurance policy extends coverage to said borrower.



1 (2) In the event that another automobile insurance policy is in force for the person or
2 organization using the vehicle, any coverage provided by the motor vehicle owner's
3 automobile insurance policy shall be excess coverage only but limited by the terms
4 of the owner's applicable automobile insurance policy. The coverages in the policy
5 afforded the person or organization using the vehicle shall be primary.