

AN ACT

ENTITLED, An Act to revise certain references regarding loans and investments for insurance companies.

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

Section 1. That § 58-27-53 be amended to read:

58-27-53. An insurer may not, except with the consent of the director, have any combination of investments in or loans upon the security of the obligations, property, or securities of any one person, institution, corporation, or municipal corporation aggregating an amount exceeding five percent of the insurer's assets. This restriction does not apply to the following:

- (1) Bonds, notes, debentures, certificates, participations, or interest or other obligations issued by, or the payment of which is guaranteed or insured by, the United States Government or any agency or instrumentality or subdivision thereof;
- (2) Obligations of the Student Loan Marketing Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation;
- (3) Bonds, notes, debentures, or other obligations issued by, or the payment of which is guaranteed by, the State of South Dakota or any state as defined in subdivision 58-1-2(17); or
- (4) Policy loans made under § 58-27-31 or investments made pursuant to either § 58-27-25 or 58-27-26, or both.

Section 2. That § 58-27-57 be amended to read:

58-27-57. Except with the director's consent, no insurer may have invested at any one time more than forty percent of its assets in the class of securities described in subdivisions 58-27-17(1), (2), (3), and (4) and in § 58-27-28, exclusive of obligations of the Student Loan Marketing Association, public utilities and securities described in §§ 58-27-103 and 58-27-104, and obligations guaranteed

or insured by the United States government or any instrumentality or subdivision thereof or any state as defined in subdivision 58-1-2(17). For purposes of determining compliance with this section, the investments under subdivision 58-27-17(4) are limited to those mutual funds that are investing at least ninety percent in bonds defined in subdivisions 58-27-17(1), (2), and (3) and §§ 58-27-9 to 58-27-13, inclusive.

Section 3. That subdivision (1) of § 58-27-78 be amended to read:

- (1) "Clearing corporation," a corporation as defined in subdivision 57A-8-102(5);

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I certify that the attached Act
originated in the
SENATE as Bill No. 51

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 51  
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