**20:06:21:71.  Permitted compensation arrangements.** No insurer or other entity may provide commission or other compensation greater than the renewal compensation, to a producer or other representative, for the sale of a long-term care insurance policy or certificate which replaces an existing long-term care insurance policy or certificate, unless the replacing policy contains clearly and substantially greater benefits than the replaced policy provided. The commission or other compensation provided in subsequent renewal years must be the same as that provided in the second year or period and must be provided for a reasonable number of renewal years.

Unless prohibited in this section or § 20:06:21:53.03, the first year commission or other compensation provided may be greater than the renewal commission.

For purposes of this section, "compensation" includes pecuniary or nonpecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate, including but not limited to bonuses, gifts, prizes, awards, and finders fees.

**Source:** 28 SDR 157, effective May 19, 2002.

**General Authority:** SDCL 58-17B-4.

**Law Implemented:** SDCL 58-17B-4.