

AN ACT

ENTITLED, An Act to revise certain provisions regarding the insurance fraud prevention unit.

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

Section 1. That § 58-4A-4 be amended to read as follows:

58-4A-4. In order to investigate and prosecute activities involving fraudulent insurance acts, the attorney general shall employ a sufficient staff to be known as the insurance fraud prevention unit which shall include a minimum of one clerical employee, one investigator, and one attorney.

Section 2. That § 58-4A-5 be amended to read as follows:

58-4A-5. The insurance fraud prevention unit may prosecute fraudulent insurance acts through criminal or civil proceedings. The attorney general may appoint the insurance fraud prevention unit attorney as an assistant attorney general for purposes of prosecuting cases of fraudulent insurance acts. The unit attorney may have all the powers attributed to the insurance fraud prevention unit in § 58-4A-3. The unit attorney may refer or request assistance from other persons delineated in subdivision 58-4A-1(3) for the prosecution of fraudulent acts, including access to records. All costs associated with the prosecution of fraudulent insurance acts, including those incurred by designees assisting or acting on behalf of the insurance fraud prevention unit, may be paid by the insurance fraud prevention unit fund.

Section 3. That § 58-4A-6 be amended to read as follows:

58-4A-6. The insurance fraud prevention unit investigators may investigate violations of this chapter. The unit investigators shall be qualified pursuant to the requirements of §§ 23-3-41, 23-3-42, and 23-3-44 and have all the powers and authority of law enforcement officers while performing duties pursuant to this chapter. The insurance fraud prevention unit may refer or request assistance from persons delineated in subdivision 58-4A-1(3) for the investigation of fraudulent insurance acts, including access to records. All costs associated with the investigation of fraudulent insurance acts,

including those incurred by designees assisting or acting on behalf of the insurance fraud prevention unit, may be paid by the insurance fraud prevention unit fund.

Section 4. That § 58-4A-7 be amended to read as follows:

58-4A-7. If the insurance fraud prevention unit or its designees initiate civil action against any person and that person is found by a court of competent jurisdiction to have committed a fraudulent insurance act as set forth in § 58-4A-2, that person is subject to a civil penalty not to exceed five thousand dollars for the first violation, ten thousand dollars for the second violation, and fifteen thousand dollars for each subsequent violation. Civil penalties paid under this section shall be deposited in the insurance fraud prevention unit fund. An action under this section may be in lieu of criminal prosecution under the laws of this state.

An Act to revise certain provisions regarding the insurance fraud prevention unit.

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I certify that the attached Act  
originated in the

SENATE as Bill No. 37

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

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

Attest:

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

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

Attest:

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

Senate Bill No. 37

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