

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

400V0248

## SENATE BILL NO. 52

Introduced by: The Committee on Commerce and Energy at the request of the Department  
of Labor and Regulation

1 FOR AN ACT ENTITLED, An Act to authorize the informal settlement of insurance  
2 examinations.

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

4 Section 1. That chapter 58-3 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 Prior to the completion of a market conduct examination, the director may request that the  
7 examiner in charge provide a draft examination report that is not to be filed under oath. The  
8 draft examination report does not constitute the conclusion of the examination and does not  
9 trigger the provisions of § 58-3-12 until filed with the division under oath. Once the division  
10 has received the draft examination report, the director may share the draft examination report  
11 with the company examined to facilitate the resolution of the examination. The examiner in  
12 charge shall submit the examination report under oath and trigger the provisions of § 58-3-12  
13 within one hundred eighty days of the director sharing the draft examination report pursuant to  
14 this section, unless the secretary provides a longer timeframe to allow additional consideration  
15 of the draft examination report by the company being examined. Nothing in this section applies



1 to financial examinations.

2 Section 2. That chapter 58-3 be amended by adding thereto a NEW SECTION to read as  
3 follows:

4 The provisions of §§ 58-3-10 to 58-3-18, inclusive, do not apply to the draft examination  
5 report.

6 Section 3. That chapter 58-3 be amended by adding thereto a NEW SECTION to read as  
7 follows:

8 Each draft examination report described in section 1 of this Act is confidential. No draft  
9 examination report may be released except pursuant to a court order.