

# State of South Dakota

SEVENTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 1998

526B0374

## SENATE BILL NO. 118

Introduced by: Senators Shoener, Munson (David), Olson, and Staggers and Representatives Broderick, Brown (Jarvis), Fischer-Clemens, Roe, and Schaunaman

1 FOR AN ACT ENTITLED, An Act to exempt service contracts from the insurance code.

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

3 Section 1. That § 58-1-3 be amended to read as follows:

4 58-1-3. No provision of this title ~~shall apply~~ applies with respect to:

5 (1) Fraternal benefit societies, except as stated in chapter 58-37A;

6 (2) Bail bondsmen, other than corporate sureties and their agents, except as stated in  
7 chapter 58-22;

8 (3) Motor vehicle service contracts, extended service agreements, or other contracts by  
9 which a motor vehicle dealer licensed under chapter 32-6B or manufacturer of motor  
10 vehicles contracts to indemnify a motor vehicle owner or lessor against loss due to  
11 mechanical breakdown, or freedom from defective or worn parts or equipment of  
12 motor vehicles;

13 (4) Service agreements or extended warranty plans for which the primary purpose is to  
14 provide service, repair, or replacement on consumer goods or products including  
15 appliances, merchandise, or equipment, or mechanical/electrical systems in single or

1           multiple-family dwellings. Incidental indemnity payments under such plans where  
2           service, repair, or replacement is not feasible or economical does not void this  
3           exemption;

4           (5) Any person, trust, or other entity proven to be under the regulatory authority of the  
5           federal government or another state agency;

6           (5)(6) Any agreement to provide liability protection entered into pursuant to chapter 1-24  
7           is exempt from the regulatory requirements of Title 58, except to forms of insurance  
8           coverage provided by an insurer otherwise subject to the insurance laws of this state.