

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

400B0224

HOUSE ENGROSSED NO. **SB53** - 2/23/98

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

1 FOR AN ACT ENTITLED, An Act to require the reporting of criminal convictions, to provide
2 certain licensing penalties, and to allow certain cooperation in a multi-state waiver process
3 regarding persons engaged in the insurance business.

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

5 Section 1. Any person, owner, or officer of an entity licensed pursuant to chapter 58-30 is
6 subject to the provisions of this Act.

7 Section 2. Any person licensed pursuant to chapter 58-30 or any owner or officer of an entity
8 licensed pursuant to chapter 58-30, who is convicted of a felony or a crime of moral turpitude,
9 shall report the conviction to the division within thirty days of the date of the conviction. The
10 report shall include either a copy of the judgment of conviction or provide sufficient information
11 so as to enable the division to obtain a copy.

12 Section 3. Any person required to report pursuant to this Act shall notify the division within
13 thirty days of the effective date of any enforcement action taken with respect to that person's
14 license by any other state insurance regulatory authority. Enforcement actions include fines,
15 suspensions, cease and desist orders, revocations, and surrenders of license or a settlement

1 entered into with the regulatory authority.

2 Section 4. The division may revoke the license of any person failing to notify the division as
3 required by this Act or impose a lesser penalty if there are mitigating factors which warrant a
4 lesser penalty.

5 Section 5. For the purposes of this Act, the division may access the criminal files of any
6 licensee convicted of a felony or crime of moral turpitude without any authorization from the
7 licensee. Any law enforcement agency that possesses criminal records shall provide reasonable
8 access by the division to such records. The provisions of this section do not affect the division's
9 ability to otherwise exchange information or cooperate with any law enforcement agency or
10 other authorized agency.

11 Section 6. The division may participate with the National Association of Insurance
12 Commissioners and the insurance regulatory offices of other states regarding the issuance of
13 waivers pursuant to 18 U.S.C. §§ 1033 and 1034 as amended to January 1, 1998. The issuance
14 of a waiver by any state is not in any manner binding upon any licensing determination made or
15 to be made by the division.

1 **BILL HISTORY**

2 1/13/98 First read in Senate and referred to Commerce. S.J. 30

3 1/15/98 Scheduled for Committee hearing on this date.

4 1/20/98 Scheduled for Committee hearing on this date.

5 1/22/98 Scheduled for Committee hearing on this date.

6 1/22/98 Commerce Do Pass Amended, Passed, AYES 6, NAYS 0. S.J. 162

7 1/22/98 Commerce Place on Consent Calendar.

8 1/26/98 Second reading of consent calendar items.

9 1/26/98 Second reading of consent calendar items. S.J. 192

10 1/26/98 Senate Do Pass Amended, Passed, AYES 34, NAYS 0. S.J. 192

11 1/27/98 First read in House and referred to Commerce. H.J. 267

12 2/17/98 Scheduled for Committee hearing on this date.

13 2/17/98 Commerce Do Pass, Passed, AYES 13, NAYS 0. H.J. 688

14 2/17/98 Commerce Place on Consent Calendar.

15 2/18/98 Second reading of consent calendar items.

16 2/18/98 Second reading of consent calendar items.

17 2/19/98 House of Representatives Deferred to another day. H.J. 804

18 2/20/98 Motion to Amend, Passed. H.J. 823

19 2/20/98 House of Representatives Do Pass Amended, Passed, AYES 51, NAYS 15. H.J. 824