

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

823C0790

SENATE ENGROSSED NO. **HB1258** - 2/22/99

Introduced by: Representatives Peterson, Fischer-Clemens, Jaspers, Koetzle, and Munson
(Donald) and Senators Munson (David), Brown (Arnold), Drake, and Flowers

1 FOR AN ACT ENTITLED, An Act to exempt motor vehicle rental companies from certain
2 insurance regulations and provide for primary coverage.

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

4 Section 1. That chapter 58-30 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 The provisions of this chapter do not apply to any individual who, in connection with the
7 rental of a motor vehicle, provides contract options to the standard rental agreement which
8 provide motor vehicle and travel related coverages through authorized insurers for a rental
9 period not to exceed ninety days.

10 Section 2. That § 58-23-4 be amended to read as follows:

11 58-23-4. When an automobile insurance policy is in force for anyone engaged in the business
12 of selling, repairing, servicing, storing, or parking motor vehicles and the person or organization
13 allows the use of a vehicle with or without consideration to any other person or organization and
14 the vehicle is involved in an accident out of which bodily injury or property damage to third
15 persons or damage to the insured vehicle arises, the following automobile insurance policies shall
16 be applicable:

- 1 (1) In the event no other automobile insurance policy is in force at the time of the
2 accident for the person or organization using the vehicle, the coverage provided by
3 the motor vehicle owner's automobile policy shall extend to the borrower in the event
4 the owner's automobile insurance policy extends coverage to said borrower.
- 5 (2) In the event that another automobile insurance policy is in force for the person or
6 organization using the vehicle, any coverage provided by the motor vehicle owner's
7 automobile insurance policy shall be excess coverage only but limited by the terms of
8 the owner's applicable automobile insurance policy. The coverages in the policy
9 afforded the person or organization using the vehicle shall be primary. Any policy of
10 insurance sold by a car rental company shall be considered the primary coverage.

1 **BILL HISTORY**

2 1/29/99 First read in House and referred to Commerce. H.J. 268

3 2/4/99 Scheduled for Committee hearing on this date.

4 2/4/99 Commerce Do Pass Amended, Passed, AYES 12, NAYS 1. H.J. 363

5 2/8/99 House of Representatives Do Pass Amended, Passed, AYES 55, NAYS 13. H.J. 419

6 2/9/99 First read in Senate and referred to Commerce. S.J. 409

7 2/16/99 Scheduled for Committee hearing on this date.

8 2/18/99 Scheduled for Committee hearing on this date.

9 2/18/99 Commerce Do Pass, Passed, AYES 5, NAYS 2. S.J. 539

10 2/19/99 Senate Deferred to another day. S.J. 607

11 2/22/99 Motion to Amend, Passed. S.J. 622

12 2/22/99 Senate Do Pass Amended, Passed, AYES 25, NAYS 10. S.J. 623

13 2/22/99 Senate Title Amended Passed. S.J. 623