

AN ACT

ENTITLED, An Act to provide for additional grounds for an order of ineligibility for a surplus lines insurer.

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

Section 1. That § 58-32-24 be amended to read as follows:

58-32-24. The insurer with which surplus line insurance is placed shall be in compliance with either subdivision 58-32-22 (1), (2), or (3) and not be ineligible as a surplus line insurer by order of the director received by or known to the broker. The director may issue such an order of ineligibility if the director finds or has reason to believe that the insurer:

- (1) Does not meet the requirements of §§ 58-32-21 to 58-32-25, inclusive;
- (2) Has without just cause refused to pay claims arising under its contracts in the United States or has otherwise conducted its affairs in such manner as to result in injury or loss to the insuring public of the United States;
- (3) Has failed to file the annual statement required in § 58-32-16.1;
- (4) Has failed to provide information within twenty days of a request from the division;
- (5) Has utilized surplus lines brokers who were not properly licensed in this state; or
- (6) Has failed, within thirty days after notice, to remit or cause to be remitted any surplus lines tax due from an unlicensed surplus lines broker.

An Act to provide for additional grounds for an order of ineligibility for a surplus lines insurer.

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I certify that the attached Act
originated in the

SENATE as Bill No. 35

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. 35
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 _____
Ass. Secretary of State