

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

961E0451

HOUSE COMMERCE COMMITTEE ENGROSSED NO.

HB 1094 - 01/25/2001

Introduced by: Representatives Broderick, Brown (Jarvis), and Madsen and Senators
Diedrich (Elmer), Diedrich (Larry), and Hutmacher

1 FOR AN ACT ENTITLED, An Act to revise certain provisions relating to credit card coverages
2 of group personal property.

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

4 Section 1. That § 58-19-1 be amended to read as follows:

5 58-19-1. The purpose of this chapter is to promote the public welfare by regulating credit
6 life insurance, credit health insurance, ~~and credit unemployment insurance,~~ and credit property
7 including group personal property coverages authorized through credit cards. Nothing in this
8 chapter is intended to prohibit or discourage reasonable competition. The provisions of this
9 chapter shall be liberally construed.

10 Section 2. That § 58-19-2 be amended to read as follows:

11 58-19-2. Terms used in this chapter mean:

12 (1) "Credit health insurance," insurance on a debtor to provide indemnity for payments
13 becoming due on a specific loan, lease, or other credit transaction while the debtor is
14 disabled as defined in the policy;

- 1 (2) "Credit life insurance," insurance on the life of a debtor pursuant to or in connection
2 with a specific loan, lease, or other credit transaction;
- 3 (3) "Creditor," the lender of money or vendor or lessor of goods, services, or property,
4 rights or privileges, for which payment is arranged through a credit transaction, or any
5 successor to the right, title, or interest of any such lender, vendor, or lessor, and an
6 affiliate, associate, or subsidiary of any of them or any director, officer, or employee
7 of any of them or any other person in any way associated with any of them;
- 8 (4) "Debtor," a borrower of money or a purchaser or lessee of goods, services, property,
9 rights, or privileges for which payment is arranged through a credit transaction;
- 10 (5) "Indebtedness," the total amount payable by a debtor to a creditor in connection with
11 a loan, lease, or other credit transaction;
- 12 (6) "Group property insurance authorized by credit card," forms of property insurance
13 issued on a group basis covering:
- 14 (a) Loss of or damage to personal property, other than loss of use or loss resulting
15 from a defect in materials or workmanship, where such personal property is
16 purchased using a credit card;
- 17 (b) Loss of, damage to or loss of use of personal property resulting from a defect
18 in materials or workmanship, where the personal property is purchased using
19 a credit card and is under warranty;
- 20 (c) Loss of or damage to a lease or rented motor vehicle, that is intended to be
21 rented or leased for a period of ninety consecutive days or less, where the lease
22 or rental fee is paid using a credit card;
- 23 (d) Loss of, or damage to or loss of use of baggage and its contents while in
24 transit, where the cost of travel or accommodations is paid using a credit card;

1 shall be filed with the director.

2 Section 6. That chapter 58-19 be amended by adding thereto a NEW SECTION to read as
3 follows:

4 Within thirty days after the filing of any group property insurance authorized by credit card
5 insurance policy, certificate of insurance, notice of proposed insurance, application for insurance,
6 endorsement or rider, the director shall disapprove any such form if the premium rates charged
7 or to be charged are excessive in relation to benefits, or if such form contains provisions which
8 are unjust, unfair, inequitable, misleading, deceptive, or encourage misrepresentation of the
9 insurance, or are contrary to any provision of this title. If such filing is not disapproved by the
10 director within this thirty-day period, it shall be deemed approved.