

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

400E0306

SENATE BILL NO. 35

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 insurance producers to sell only investments
2 authorized pursuant to certain provisions.

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

4 Section 1. That chapter 58-33 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 No insurance producer may offer or sell any security in this state unless the insurance
7 producer is properly registered or exempt from registration pursuant to chapter 47-31A.

8 Section 2. That chapter 58-33 be amended by adding thereto a NEW SECTION to read as
9 follows:

10 No insurance producer may offer or sell any security in this state unless the security is
11 registered or exempt from registration pursuant to chapter 47-31A.

12 Section 3. That chapter 58-33 be amended by adding thereto a NEW SECTION to read as
13 follows:

14 No insurance producer may offer or sell any business opportunity in this state unless the
15 business opportunity is registered or exempt from registration under chapter 37-25A.

1 Section 4. That chapter 58-33 be amended by adding thereto a NEW SECTION to read as
2 follows:

3 Any insurance producer that offers or sells any unregistered security as defined in chapter 47-
4 31A or any unregistered business opportunity as defined in chapter 37-25A, and fails to exercise
5 due diligence in determining whether the security or business opportunity is or should be
6 registered prior to offering or selling the security or business opportunity, shall be considered to
7 have intentionally violated this Act. This section does not apply to securities or business
8 opportunities that are exempt pursuant to chapter 47-31A or 37-25A.