

# State of South Dakota

SEVENTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2004

400J0359

## HOUSE BILL NO. 1050

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

1 FOR AN ACT ENTITLED, An Act to revise certain standards for insurance producers licensure  
2 and to prohibit insurance producers from influencing certain witnesses.

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

4 Section 1. That § 58-30-167 be amended to read as follows:

5 58-30-167. The director may suspend for not more than twelve months, or may revoke or  
6 refuse to continue, any license issued under this chapter; or any license of a surplus lines broker  
7 after a hearing. Notice of such hearing and of the charges against the licensee shall be given to  
8 the licensee and to the insurers represented by such licensee or to the appointing agent of a  
9 producer at least twenty days before the hearing. The director may suspend, revoke, or refuse  
10 to issue or renew an insurance producer's license or may accept a monetary penalty in  
11 accordance with § 58-4-28.1 or any combination thereof, for any one or more of the following  
12 causes:

13 (1) Providing incorrect, misleading, incomplete, or materially untrue information in the  
14 license application;

15 (2) Violating any insurance laws or rules, subpoena, or order of the director or of another



- 1 state's insurance director, commissioner, or superintendent;
- 2 (3) Obtaining or attempting to obtain a license through misrepresentation or fraud;
- 3 (4) Withholding, misappropriating, or converting any monies or properties received in  
4 the course of doing insurance business;
- 5 (5) Intentionally misrepresenting the terms of an actual or proposed insurance contract  
6 or application for insurance;
- 7 (6) Having been convicted of a felony;
- 8 (7) Having admitted or been found to have committed any insurance unfair trade practice  
9 or fraud;
- 10 (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence,  
11 untrustworthiness, or financial irresponsibility in the conduct of business in this state  
12 or elsewhere;
- 13 (9) Having an insurance producer license, or its equivalent, denied, suspended, or  
14 revoked in any other state, province, district, or territory;
- 15 (10) Forging another's name to an application for insurance or to any document related to  
16 an insurance transaction;
- 17 (11) Using notes or any other reference material to complete an examination for an  
18 insurance license;
- 19 (12) Knowingly accepting insurance business from an individual who sells, solicits, or  
20 negotiates insurance and is not licensed; ~~or~~
- 21 (13) Failing to comply with an administrative or court order imposing a child support  
22 obligation; or
- 23 (14) Not trustworthy or not of good character and reputation as to morals, integrity, and  
24 financial responsibility.

1       Section 2. That chapter 58-30 be amended by adding thereto a NEW SECTION to read as  
2 follows:

3       No insurance producer may, directly or indirectly, attempt to influence a witness to decline  
4 to testify or to testify falsely or withhold any testimony, information, document, or thing in any  
5 matter before the division.