

State of South Dakota

EIGHTIETH SESSION
LEGISLATIVE ASSEMBLY, 2005

445L0412

HOUSE BILL NO. 1131

Introduced by: Representatives Hunt and Koistinen and Senators Broderick and Knudson

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding investigations of the
2 Division of Insurance.

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

4 Section 1. That § 58-4-44 be amended to read as follows:

5 58-4-44. The director may investigate any person doing insurance business. When the
6 director begins an investigation, the director shall notify the person who is the subject of the
7 investigation. The director may withhold from public inspection any ~~examination~~ or
8 investigation report for so long as ~~he~~ the director deems such withholding to be necessary for
9 the protection of the person ~~examined~~ investigated against unwarranted injury or to be in the
10 public interest. The director shall complete any investigation in a timely manner. Any
11 investigation not completed within twenty-four months shall be presented to the secretary of
12 revenue and regulation. If, after sixty days, the secretary has not completed the investigation,
13 the secretary shall forward the matter to the attorney general who shall review the file and make
14 recommendations to the secretary for the purpose of ensuring final action is taken concerning
15 the investigation. If the Division of Insurance has given notice of a pending investigation to any
16 person or legal entity, the division shall notify any such person or legal entity that the



1 investigation is closed or final action has been taken.

2 Section 2. That § 58-4A-16 be amended to read as follows:

3 58-4A-16. The Division of Insurance shall annually report to the Legislature concerning the
4 activities of the insurance fraud prevention unit including the number ~~and~~, type, and outcome
5 of cases investigated, the ~~outcome of such investigations~~ number and type of cases that have
6 been pending without final action for more than twelve months, and the costs and expenditures
7 incurred during such investigations.