

# State of South Dakota

EIGHTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2007

634N0570

## HOUSE BILL NO. 1180

Introduced by: Representatives Willadsen, Dykstra, Elliott, Krebs, Novstrup (Al), Novstrup (David), and Peters and Senators McCracken, Abdallah, Gant, Gray, and Napoli

1 FOR AN ACT ENTITLED, An Act to repeal certain provisions found to be unconstitutional,  
2 which required insurers to obtain a countersignature on policies.

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

4 Section 1. That § 58-6-62 be repealed.

5 ~~— 58-6-62. No authorized insurer may make, write, issue, or place any policy, bond, contract~~  
6 ~~of insurance, or general or floating policy upon persons or property, or covering a subject of~~  
7 ~~insurance or bonding to be performed in South Dakota, unless the policy is written through a~~  
8 ~~licensed resident insurance producer, or a licensed nonresident insurance producer, except where~~  
9 ~~the license of the nonresident insurance producer is not required pursuant to subdivision § 58-~~  
10 ~~30-144(6), if countersigned by a resident insurance producer. If two or more insurers issue a~~  
11 ~~single policy, it may be countersigned on behalf of all of them by one of the insurer's licensed~~  
12 ~~resident insurance producers in this state. Any violation of this section is a Class 2~~  
13 ~~misdemeanor.~~

14 Section 2. That § 58-6-63 be repealed.

15 ~~— 58-6-63. The licensed resident insurance producer, if countersigning for a licensed~~



1 ~~nonresident insurance producer, shall receive for this service five percent of the total premium~~  
2 ~~or twenty-five percent of the commission whichever is less. Either the resident insurance~~  
3 ~~producer or the insurer, or both, shall enter this payment amount on the insurance producer's or~~  
4 ~~insurer's record so that the state will receive the necessary tax required by law. The resident~~  
5 ~~insurance producer has the option of waiving countersignature fees of less than two dollars.~~

6 Section 3. That § 58-6-64 be repealed.

7 ~~—58-6-64. Any insurer requesting countersignature from a resident insurance producer shall~~  
8 ~~furnish, for that insurance producer's permanent records, full information regarding policy~~  
9 ~~number, name of insured, amount of premium applicable to South Dakota, and the name and~~  
10 ~~license number of the licensed South Dakota nonresident insurance producer. On audit type~~  
11 ~~policies, the company shall furnish full information at the audit period to the resident insurance~~  
12 ~~producer regarding the earned premium applicable to the State of South Dakota. The insurer is~~  
13 ~~obligated to see that the correct resident insurance producer countersignature fee is paid.~~