

State of South Dakota

NINETIETH SESSION
LEGISLATIVE ASSEMBLY, 2015

464W0672

SENATE COMMERCE AND ENERGY ENGROSSED NO. **HB 1236** - 02/24/2015

Introduced by: The Committee on Commerce and Energy

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding commissions received
2 by insurance producers.

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

4 Section 1. That § 58-30-174 be amended to read as follows:

5 58-30-174. No insurer or insurance producer may pay or assign a commission, service fee,
6 brokerage fee, or any other valuable consideration for a referral to any person not appropriately
7 licensed pursuant to this chapter unless the payment or assignment is a fixed dollar amount that
8 is not related to the amount of commission or premium for an insurance transaction and that is
9 not dependent upon whether the referral results in a transaction. Nothing in this chapter
10 prohibits a licensed and appointed producer upon receiving a commission from sharing this
11 compensation with other insurance producers if those insurance producers are licensed in the
12 line of business for which the original commission was received. However, no insurance
13 producer who is not appointed may act as an agent of an insurer. An insurer who pays a
14 commission to an appointed insurance producer is not responsible for any act, statement, or
15 omission made by an insurance producer who is not appointed, but who receives compensation



1 from an appointed insurance producer.