

AN ACT

ENTITLED, An Act to revise certain provisions regarding commissions received by insurance producers.

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

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

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

An Act to revise certain provisions regarding commissions received by insurance producers.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1236

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1236

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State