

State of South Dakota

EIGHTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2014

400V0238

SENATE BILL NO. 49

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

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding private placement
2 policies.

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

4 Section 1. That § 58-11-1 be amended to read as follows:

5 58-11-1. Premium is the consideration for insurance by whatever name called. Any
6 assessment, or any membership, policy, survey, inspection, service, or similar fee or other
7 charge in consideration for an insurance contract is deemed part of the premium. ~~For a private~~
8 ~~placement policy, with the consent of the insurer, premium may be in the form of assets to be~~
9 ~~held by the insurer in a separate account, as long as the fair value of the assets are independently~~
10 ~~verified at the time of receipt by the insurer.~~ However, the premium for title insurance shall be
11 the rates filed and approved in § 58-25-7.

12 Section 2. That § 58-15-15.13 be amended to read as follows:

13 58-15-15.13. ~~For purposes of §§ 58-15-15, 58-15-16, 58-15-17, 58-15-26, 58-15-32, and 58-~~
14 ~~15-84,~~ a A private placement policy is a variable annuity contract or a variable life insurance
15 policy that is:



- 1 (1) Issued exclusively to a person who is an accredited investor or a qualified purchaser,
2 as such terms are defined in the federal Securities Act of 1933 or the federal
3 Investment Company Act of 1940, or in regulations promulgated under either such
4 statute; and
- 5 (2) Offered for sale and sold in a transaction that is exempt from registration under the
6 federal Securities Act of 1933.

7 Section 3. That chapter 58-15 be amended by adding thereto a NEW SECTION to read as
8 follows:

9 Premium is the consideration for insurance by whatever name called. Any assessment, or
10 any membership, policy, survey, inspection, service, or similar fee or other charge in
11 consideration for an insurance contract is deemed part of the premium. For a private placement
12 policy, with the consent of the insurer, premium may be in the form of assets to be held by the
13 insurer in a separate account, as long as the fair value of the assets are independently verified
14 at the time of receipt by the insurer.