

AN ACT

ENTITLED, An Act to revise certain provisions regarding private placement policies.

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

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

58-11-1. Premium is the consideration for insurance by whatever name called. Any assessment, or any membership, policy, survey, inspection, service, or similar fee or other charge in consideration for an insurance contract is deemed part of the premium. However, the premium for title insurance shall be the rates filed and approved in § 58-25-7.

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

58-15-15.13. A private placement policy is a variable annuity contract or a variable life insurance policy that is:

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

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

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

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I certify that the attached Act
originated in the

SENATE as Bill No. 49

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 49

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