



Division of Insurance



SOUTH DAKOTA
DEPT. OF **LABOR**
& **REGULATION**

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2022 Legislative Recap

South Dakota's legislature adjourned on March 28, 2022, concluding the 97th Legislative Session. More than 600 bills, resolutions, and commemorations were filed during the 38-day session.

The South Dakota Department of Labor and Regulation requested the introduction of four bills, including two specifically addressing state insurance laws.

[House Bill \(HB\) 1029](#) would have updated the definition of telehealth to follow changes made to definitions elsewhere in state law but failed to pass out of committee.

[HB 1059](#) allows incomplete insurance producer applications to be administratively withdrawn if an applicant does not respond to follow-up questions from the Division of Insurance within 60 days. Currently if an applicant does not respond to the Division, the application must be formally denied, triggering national reporting requirements, and potentially harming future employment. This change to administratively withdraw nonresponsive applications will prevent denials and subsequent reporting by applicants. An applicant can re-apply if they choose. This will streamline the process for nonresponsive license applications. This bill was signed by Governor Kristi Noem on Feb. 9, 2022, with an effective date of July 1, 2022.

Other bills of interest that successfully passed in 2022 include:

- [HB 1102](#) – An Act to reduce the exempt commercial policyholder aggregate premium requirement.
- [HB 1117](#) – An Act to revise a certain provision regarding standard nonforfeiture amounts for individual deferred annuities.
- [HB 1130](#) – An Act to specify taxation, authorization, standards of practice for the sale of travel insurance.
- [Senate Bill \(SB\) 148](#) – An Act to revise annuity sales standards. (See [Bulletin 22-03](#) for additional guidance related to this bill).
- [SB 160](#) – An Act to exempt motor vehicle service contracts from the insurance code.
- [SB 171](#) – An Act to prohibit health insurance policies from restricting the method of payment for dental care.

Interested parties can review the actions taken by the South Dakota Legislature via the [South Dakota Legislative Research Council website](#).

Insurance Fraud Assessment Initiated June 28

The South Dakota Division of Insurance initiated an insurance fraud assessment with invoices issued on June 28, 2022. A Fraud Assessment Invoice was issued by email to each insurer with an insurance fraud email address on record.* The invoice was mailed to insurers where no insurance fraud email address is present.

Pursuant to [SDCL §58-4A-14](#), an insurer shall remit, in a manner prescribed by the director, a fraud assessment fee in the amount of two hundred fifty dollars.

[View](#) Company Assessment information.

*Electronic notification of assessments will be the standard method for notice distribution going forward. Insurers should ensure all contact information, including a Fraud Assessment email address, is current with the Division of Insurance.

2022 NAIC Committee List

The South Dakota Division of Insurance serves on 32 National Association of Insurance Commission (NAIC) committees, task forces and work groups.

Director Larry Deiter serves as Chair for the Producer Licensing Task Force and Vice-Chair of the Surplus Lines Task Force.

[View](#) the 2022 NAIC Committee List.

Bulletins Issued by the Division

On June 30, 2022, the Division issued Bulletins [22-03: Annuity Best Interest Standards](#) and [22-04: Blanket Student Accident-Type Coverage](#).

[Bulletin 22-03](#) provides additional guidance on Senate Bill 148 passed during the 2022 Legislative Session. The legislation established a new set of sales standards, referred to as "Annuity Best Interest", for the annuity industry in South Dakota. The bulletin provides an outline of the duties and regulatory compliance for producers, companies and continuing education providers.

[Bulletin 22-04](#) clarifies companies that offer plans under [SDCL 58-18A-59\(5\)](#) will be allowed to provide "excess only" coverage. Effective as of the date of the bulletin, company filings for this type of coverage will be accepted via SERFF for review and possible approval by the Division.

Additional bulletins issued in 2022: Bulletins [22-01: Extension of Transition Policies](#) and [22-02: PY2023 Product Filing Deadlines](#).

[View all bulletins](#) issued by the Division of Insurance.

Administrative Rules Adopted

Administrative rules to update 20:06:13 Appendix D were adopted with an effective date of May 24, 2022. The rules address the Division's Medicare Supplement to incorporate 2022 Medicare Supplement coverage amounts set by the federal government. [View the adopted rules](#).

Public Hearing Held on Proposed Rule Changes

A public hearing to review proposed changes to administrative rules updating the sources referenced in rule and clarify credit claimed when companies purchase reinsurance was held on June 27, 2022. The deadline to submit comments on the proposed rules is July 7, 2022. [View the proposed rules](#).

NAIC Spring Meeting/NIPR Board

Division of Insurance staff participated in the NAIC Spring 2022 National Meeting in Kansas City, MO, April 4 - 8, 2022.

In conjunction with the national meeting, the National Insurance Producer Registry (NIPR) Board of Directors met, lead by Board President Division of Insurance Director Larry Deiter.

The national meeting was conducted in a hybrid format with some individual sessions being offered both in person and virtually.



South Dakota Division of Insurance Director Larry Deiter chairs the NIPR Board of Directors meeting in Kansas City.

Consumer Protection for Surprise Bills

Consumers have new protections related to surprise bills received for emergency care, non-emergency care from out-of-network providers at in-network facilities, and air ambulance services from out-of-network providers.

[View additional information](#) from the Center for Medicare and Medicaid Services (CMS) on the federal No Surprises Act protections.

States have the primary enforcement authority over the new requirements with respect to health insurance issuers, health care providers and facilities, and providers of air ambulance services.

Consumers who have questions regarding the No Surprises Act or believe they have received a surprise bill can contact the South Dakota Division of Insurance at 605.773.3563 or file a complaint online on the [Division's website](#).

2021 Annual Reports Available

[Department of Labor and Regulation 2021 Annual Report](#) - The Department of Labor and Regulation has released its [2021 Annual Report](#). This report recaps the wide variety of operations, regulatory oversight and programs administered by the department. [View](#) the department's annual report as well as other department publications.

[NAIC 2021 Annual Report](#) - The NAIC celebrates "150 Years of Community" in the 2021 Annual Report. [View](#) the NAIC 2021 Annual Report.

[NIPR 2021-2023 Strategic Plan and 2021 Annual Report](#) - In 2021, NIPR launched its latest strategic plan "Our Bridge to the Future" focusing on three critical dimensions: an engaged and empowered team, customer-focused excellence, and high-quality and reliable technology. [View](#) the 2021-2023 NIPR Strategic plan and the NIPR 2021 Annual Report.

Dorschner and Doyle Promoted

Director Larry Deiter is pleased to announce the promotions of Tony Dorschner and Seth Doyle within the South Dakota Division of Insurance (DOI).

Tony Dorschner accepted the position of Assistant Director of Property and Casualty, and Seth accepted the position of Financial Supervisor.

Tony has been with the State of South Dakota and DOI since 2014, serving as a compliance agent and then moving to Market Conduct Manager in 2017. Tony is a South Dakota State University alumnus. He holds the Market Conduct Management (MCM) designation from the Insurance Regulatory Examiners Society and the Professional in Insurance Regulation (PIR) designation from the National Association of Insurance Commissioners (NAIC).

Seth has worked for the State of South Dakota and DOI for more than 23 years. Seth started as a Life/Health rates and forms analyst and, after three years, moved into the role of financial analyst. He is a graduate of SDSU with a bachelor's degree in business economics and completed the Leadership South Dakota for State Government program. Seth holds an Accredited Financial Examiner designation through the Society of Financial Examiners (SOFE).

Future Workforce Finder

As part of the Department of Labor & Regulation (DLR), the Division of Insurance is pleased to announce a new way for businesses to connect with students. The Future Workforce Finder launched by the departments of Education and Labor and Regulation will allow students to explore careers available in South Dakota and attract potential employees for business and industry.

The Future Workforce Finder provides employers with a platform to showcase opportunities available at their business. Options might include internships, job shadows, tours, and classroom visits, both in-person and virtual. Schools work with students to connect them to opportunities that meet students' interests and skill sets.

Students have the opportunity for real-world work experiences and a chance to try out their talents and interests as they determine their future career path. As a recruitment tool, an employer can highlight areas of their business to pique the interests of potential future employees in their industry.

This first phase of the Future Workforce Finder launch focuses on business and industry. Interested South Dakota employers can register their business now by creating a profile at weekofwork.sd.gov.

Later this year, educators will be able to begin using the system to make connections between students and employers.

The system is being funded with federal dollars available to the Department of Education through the American Rescue Plan.

Company Address Service

Insurance carriers are reminded to update their entity contact information through the "Company Address Service" portal link available on the [Division's website](#). Accuracy in the contact information provided ensures the carriers will receive Division announcements and/or notifications, when issued.

Companies use their NAIC ID and assigned PIN to access the area to update company contact information. A company can use the "Need PIN" link available on the portal's main page to determine the company's designated PIN contact.

If no PIN contact is on file with the Division, please contact the Division at insurance@state.sd.us.

2022 NCCI Workers' Compensation Advisory Loss Costs & Assigned Risk Rates Approved Filing

An informal hearing was conducted on Thursday, March 31, 2022, at 1 p.m. CDT to discuss the proposed 2022 NCCI Workers' Compensation Voluntary Advisory Loss Costs and Assigned Risk Rates filing. The proposal reflected an overall average decrease of 7.3% in the advisory loss costs and an overall rate level decrease of 5.9% in the assigned risk market. The filing was reviewed by the Division and approved on April 19, 2022. Approved final rates have an effective date of July 1, 2022.