

## CHAPTER 20:06:09

### INSURANCE HOLDING COMPANIES

#### Section

20:06:09:01	Repealed.
20:06:09:02	Repealed.
20:06:09:03	Repealed.
20:06:09:04	Repealed.
20:06:09:05	Repealed.
20:06:09:06	Repealed.
20:06:09:07	Repealed.
20:06:09:08	Repealed.
20:06:09:09	Repealed.
20:06:09:10	Repealed.
20:06:09:11	Definitions.
20:06:09:12	Form filings.
20:06:09:13	General requirements for Forms A, B, C, D, E, and F.
20:06:09:14	Filing forms with director.
20:06:09:15	Filing Form C or Form E with other states.
20:06:09:16	Preparation of statements and supporting documents.
20:06:09:16.01	Filing with the National Association of Insurance Commissioners.
20:06:09:17	Incorporation by reference to Forms A, B, D, E, or F.
20:06:09:18	Repealed.
20:06:09:19	Impracticality of furnishing information.

20:06:09:20 Additional information and exhibits.

20:06:09:21 Reference to domestic insurer in acquisition.

20:06:09:22 Amendments to Form B.

20:06:09:23 Consolidated registrations -- Authorized insurers.

20:06:09:24 Consolidated registrations -- Unauthorized insurers.

20:06:09:25 Consolidation or alternative registration of statements without approval.

20:06:09:26 Disclaimers and termination of registration.

20:06:09:27 Information required for extraordinary dividends or other distributions.

20:06:09:28 Determining adequacy of surplus.

20:06:09:29 Form A filing.

20:06:09:29.01 Amendments to Form A.

20:06:09:30 Disclosure of background of applicant or persons associated with applicant.

20:06:09:31 Filing of financial statements with Form A.

20:06:09:32 Form B filing.

20:06:09:33 Description of transactions and agreements.

20:06:09:34 Information on ultimate controlling person.

20:06:09:35 Financial statements and exhibits for Form B filing.

20:06:09:36 Form C filing.

20:06:09:37 Form D filing.

20:06:09:37.01 Cost sharing services and management services reported on Form D.

20:06:09:38 Description of transactions for Form D filing.

20:06:09:39 Form D -- Loans or extensions of credit to a nonaffiliate.

20:06:09:40 Form D -- Reinsurance transactions.

20:06:09:41 Form D -- Management agreements, service agreements, and cost-sharing agreements.

20:06:09:42 Pre-acquisition notification.

20:06:09:43 Form E filing.

20:06:09:44 Enterprise risk report.

20:06:09:45 Form F filing.

20:06:09:46 Obligation to report.

20:06:09:47 Confidentiality.

20:06:09:48 ORSA guidance manual.

20:06:09:49 Exemptions for filing the group capital calculation.

20:06:09:50 Limited group capital calculation filings.

20:06:09:51 Criteria for requiring the group capital calculation.

20:06:09:52 Non-U.S. jurisdictions recognized for group capital calculations.

20:06:09:53 List of non-U.S. jurisdictions determinations.

**20:06:09:45. Form F filing.** The registrant, to the best of the registrant's knowledge and belief, must provide information regarding the following areas that could produce enterprise risk as defined in ~~SDCL 58-5A-1(2A)~~ SDCL 58-5A-1(3), unless the information is disclosed in the insurance holding company system annual registration statement filed on behalf of itself or another insurer for which it is the ultimate controlling person:

(1) Any material developments regarding strategy, internal audit findings, compliance, or risk management affecting the insurance holding company system;

(2) Acquisition or disposal of insurance entities and reallocating of existing financial or insurance entities within the insurance holding company system;

(3) Any changes of shareholders of the insurance holding company system exceeding ten percent or more of voting securities;

(4) Developments in various investigations, regulatory activities, or litigation that may have a significant bearing or impact on the insurance holding company system;

(5) Business plan of the insurance holding company system and summarized strategies for next twelve months;

(6) Identification of material concerns of the insurance holding company system raised by supervisory college, if any, in last year;

(7) Identification of insurance holding company system capital resources and material distribution patterns;

(8) Identification of any negative movement, or discussions with rating agencies which may have caused, or may cause, potential negative movement in the credit ratings and individual insurer financial strength ratings assessment of the insurance holding company system, including both the rating score and outlook;

(9) Information on corporate or parental guarantees throughout the holding company and the expected source of liquidity should such guarantees be called upon; and

(10) Identification of any material activity or development of the insurance holding company system that, in the opinion of senior management, could adversely affect the insurance holding company system.

The registrant may attach the appropriate form most recently filed with the U.S. Securities and Exchange Commission, provided the registrant includes specific references to those areas listed above for which the form provides responsive information. If the registrant is not domiciled in the U.S., it may attach its most recent public audited financial statement filed in its country of domicile, provided the registrant or applicant includes specific references to those areas listed above for which the financial statement provides responsive information.

**Source:** 42 SDR 83, effective December 3, 2015.

**General Authority:** SDCL 58-5A-70.

**Law Implemented:** SDCL 58-5A-29.1, 58-5A-70.

**20:06:09:49. Exemptions for filing group capital calculation.** The lead state director or commissioner has the discretion to exempt the ultimate controlling person from filing the annual group capital calculation if the lead state director or commissioner makes a determination based upon that filing that the insurance holding company system meets all of the following criteria:

(1) The holding company has annual direct written and unaffiliated assumed premium (including international direct and assumed premium), but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000;

(2) The holding company has no insurers within its holding company structure that are domiciled outside of the United States or one of its territories;

(3) The holding company has no banking, depository or other financial entity that is subject to an identified regulatory capital framework within its holding company structure;

(4) The holding company system attests that there are no material changes in the transactions between insurers and non-insurers in the group that have occurred since the last filing of the annual group capital; and

(5) The non-insurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

**Source:**

**General Authority:** SDCL 58-5A-94, 58-5A-95.

**Law Implemented:** SDCL 58-5A-94, 58-5A-95.

**20:06:09:50. Limited group capital calculation filings.** The lead state director or commissioner has the discretion to accept in lieu of the group capital calculation a limited group capital filing if:

(1) The insurance holding company system has annual direct written and unaffiliated assumed premium (including international direct and assumed premium), but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000; and all of the following additional criteria are met:

(a) Has no insurers within its holding company structure that are domiciled outside of the United States or one of its territories;

(b) Does not include a banking, depository or other financial entity that is subject to an identified regulatory capital framework; and

(c) The holding company system attests that there are no material changes in transactions between insurers and non-insurers in the group that have occurred since the last filing of the report to the lead state director or commissioner and the non-insurers within the holding company system do not pose a material financial risk to the insurers ability to honor policyholder obligations.

**Source:**

**General Authority: SDCL 58-5A-94, 58-5A-95.**

**Law Implemented: SDCL 58-5A-94, 58-5A-95.**

**20:06:09:51. Criteria for requiring the group capital calculation.** At any time, the lead state director or commissioner may require the ultimate controlling person to file

an annual group capital calculation, completed in accordance with the National Association of Insurance Commissioners Group Capital Calculation Instructions, 2022 edition, if any of the following criteria are met:

(1) Any insurer within the insurance holding company system is in a Risk-Based Capital action level event as set forth §§ 20:06:36:01 to 20:06:36:28, inclusive, or a similar standard for a non-U.S. insurer;

(2) Any insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in hazardous financial condition as defined in SDCL 58-4-39 and § 20:06:23:02; or

(3) Any insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer as determined by the lead state director or commissioner based on unique circumstances including, but not limited to, the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

**Source:**

**General Authority:** SDCL 58-5A-94, 58-5A-95.

**Law Implemented:** SDCL 58-5A-94, 59-5A-95.

**Reference:** Group Capital Calculation Instructions, 2022 edition, National Association of Insurance Commissioners. Copies may be obtained from the NAIC, 1100 Walnut Street, Ste. 1500, Kansas City, MO 64106-2197, (816) 783-8300; <http://www.naic.org>. Cost: \$0.



**20:06:09:52. Non-U.S. jurisdictions recognized for group capital calculations.**

A non-U.S. jurisdiction is considered to recognize and accept the group capital calculation if it satisfies the following criteria:

(1) With respect to the SDCL 58-5A-95:

(a) The non-U.S. jurisdiction recognizes the U.S. state regulatory approach to group supervision and group capital, by providing confirmation by a competent regulatory authority, in such jurisdiction, that insurers and insurance groups whose lead state is accredited by the National Association of Insurance Commissioners under the National Association of Insurance Commissioners Accreditation Program shall be subject only to worldwide prudential insurance group supervision including worldwide group governance, solvency and capital, and reporting, as applicable, by the lead state and will not be subject to group supervision, including worldwide group governance, solvency and capital, and reporting, at the level of the worldwide parent undertaking of the insurance or reinsurance group by the non-U.S. jurisdiction; or

(b) Where no U.S. insurance groups operate in the non-U.S. jurisdiction, that non-U.S. jurisdiction indicates formally in writing to the lead state with a copy to the International Association of Insurance Supervisors that the group capital calculation is an acceptable international capital standard. This will serve as the documentation otherwise required in subsection (1)(a); and

(2) The non-U.S. jurisdiction provides confirmation by a competent regulatory authority in such jurisdiction that information regarding insurers and their parent, subsidiary, or affiliated entities, if applicable, shall be provided to the lead state director or

commissioner in accordance with a memorandum of understanding or similar document between the commissioner and such jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the National Association of Insurance Commissioners. The commissioner shall determine, in consultation with the National Association of Insurance Commissioners committee process, if the requirements of the information sharing agreements are in force.

**Source:**

**General Authority:** SDCL 58-5A-94, 58-5A-95.

**Law Implemented:** SDCL 58-5A-94, 58-5A-95.

**20:06:09:53. List of non-U.S. jurisdictions determinations.** A list of non-U.S. jurisdictions that recognize and accept the group capital calculation will be published as follows:

(1) A list of jurisdictions that recognize and accept the group capital calculation pursuant to SDCL 58-5A-95, is published through the National Association of Insurance Commissioners committee process to assist the lead state director or commissioner in determining which insurers shall file an annual group capital calculation. The list will clarify those situations in which a jurisdiction is exempted from filing under SDCL 58-5A-95. To assist with a determination under SDCL 58-5A-96, the list will also identify whether a jurisdiction that is exempted under either SDCL 58-5A-95 requires a group capital filing for any U.S. based insurance group's operations in that non-U.S. jurisdiction; and

(2) For a non-U.S. jurisdiction where no U.S. insurance groups operate, the confirmation provided to meet the requirement of § 20:06:09:52 (1)(b) will serve as support for recommendation to be published as a jurisdiction that recognizes and accepts the group capital calculation through the National Association of Insurance Commissioners committee process.

If the lead state director or commissioner makes a determination pursuant to SDCL 58-5A-95 that differs from the National Association of Insurance Commissioners list of non-U.S. jurisdictions that recognize and accept the group capital calculation, the lead state director or commissioner shall provide thoroughly documented justification to the National Association of Insurance Commissioners and other states.

Upon determination by the lead state director or commissioner that a non-U.S. jurisdiction no longer meets one or more of the requirements to recognize and accept the

group capital calculation, the lead state director or commissioner may provide a recommendation to the National Association of Insurance Commissioners that the non-U.S. jurisdiction be removed from the list of jurisdictions that recognize and accepts the group capital calculation.

**Source:**

**General Authority: SDCL 58-5A-94, 58-5A-95.**

**Law Implemented: SDCL 58-5A-94, 58-5A-95.**

**20:06:12:07. Guidelines for examination reports.** The insurer's examination report must be prepared in accordance with standards adopted by the National Association of Insurance Commissioners in the Financial Condition Examiners Handbook, ~~2023~~ 2024 edition.

**Source:** 21 SDR 144, effective February 19, 1995; 23 SDR 43, effective October 1, 1996; 23 SDR 202, effective June 1, 1997; 25 SDR 13, effective August 9, 1998; 26 SDR 26, effective September 1, 1999; 27 SDR 54, effective December 4, 2000; 29 SDR 84, effective December 15, 2002; 31 SDR 21, effective August 23, 2004; 33 SDR 59, effective October 5, 2006; 34 SDR 271, effective May 6, 2008; 35 SDR 165, effective December 22, 2008; 36 SDR 209, effective July 1, 2010; 37 SDR 241, effective July 1, 2011; 38 SDR 219, effective June 25, 2012; 39 SDR 219, effective June 26, 2013; 41 SDR 41, effective September 17, 2014; 42 SDR 52, effective October 13, 2015; 42 SDR 177, effective June 28, 2016; 43 SDR 181, effective July 7, 2017; 45 SDR 10, effective August 2, 2018; 46 SDR 26, effective September 4, 2019; 46 SDR 147, effective July 2, 2020; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022; 50 SDR 13, effective August 10, 2023.

**General Authority:** SDCL 58-3-11, 58-3-26.

**Law Implemented:** SDCL 58-3-11.

**Reference:** Financial Condition Examiners Handbook, ~~2023~~ 2024 edition, National Association of Insurance Commissioners. Copies may be obtained from the NAIC, 1100 Walnut Street, Ste. 1500, Kansas City, MO 64106-2197, (816) 783-8300; <http://www.naic.org>. Cost: ~~\$342~~ \$360.

**20:06:19:04. Accounting standards for transactions in exchange-traded call and put options.** An insurance company that buys or sells exchange-traded call and put options shall record the details of the transactions in a manner consistent with National Association of Insurance Commissioners (NAIC) rules and procedures contained in the ~~2022~~ 2023 edition of the **Annual Statement Instructions - Life, Accident, and Health/Fraternal**, the ~~2022~~ 2023 edition of the **Annual Statement Instructions - Property and Casualty**, the ~~2023~~ 2024 edition of the **Financial Condition Examiners Handbook**, the ~~2023~~ 2024 edition of the **Accounting Practices and Procedures Manual**, and the ~~2022~~ 2023 edition of the **Purposes and Procedures Manual of the NAIC Investment Analysis Office**.

**Source:** 13 SDR 75, effective December 21, 1986; 22 SDR 110, effective March 1, 1996; 23 SDR 43, effective October 1, 1996; 25 SDR 13, effective August 9, 1998; 26 SDR 26, effective September 1, 1999; 27 SDR 54, effective December 4, 2000; 27 SDR 111, effective May 7, 2001; 30 SDR 39, effective September 28, 2003; 33 SDR 59, effective October 5, 2006; 34 SDR 271, effective May 6, 2008; 35 SDR 165, effective December 22, 2008; 36 SDR 209, effective July 1, 2010; 37 SDR 241, effective July 1, 2011; 38 SDR 219, effective June 25, 2012; 39 SDR 219, effective June 26, 2013; 41 SDR 41, effective September 17, 2014; 42 SDR 52, effective October 13, 2015; 42 SDR 177, effective June 28, 2016; 43 SDR 181, effective July 7, 2017; 45 SDR 10, effective August 2, 2018; 46 SDR 26, effective September 4, 2019; 46 SDR 147, effective July 2, 2020; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022; 50 SDR 13, effective August 10, 2023.

**General Authority:** SDCL 58-27-7.

**Law Implemented:** SDCL 58-6-75.

**References:**

1. **Annual Statement Instructions - Life, Accident and Health/Fraternal**, ~~2022~~ 2023 edition, National Association of Insurance Commissioners. Cost: ~~\$174~~ \$183.

2. **Annual Statement Instructions - Property and Casualty**, ~~2022~~ 2023 edition, National Association of Insurance Commissioners. Cost: ~~\$174~~ \$183.

3. **Accounting Practices and Procedures Manual**, ~~2023~~ 2024 edition, National Association of Insurance Commissioners. Cost: Hard Copy, \$550.

4. **Financial Condition Examiners Handbook**, ~~2023~~ 2024 edition, National Association of Insurance Commissioners. Cost: ~~\$342~~ \$360.

5. **Purposes and Procedures Manual of the NAIC Investment Analysis Office**, ~~2022~~ 2023 edition, National Association of Insurance Commissioners. Cost: \$0.

Copies of references 1 through 5 may be obtained from the National Association of Insurance Commissioners, 1100 Walnut Street, Ste. 1500, Kansas City, MO 64106-2197, (816) 783-8300; <http://www.naic.org>.

**20:06:25:01. Annual statements.** An insurer shall file their annual statement in accordance with the standards adopted by the National Association of Insurance Commissioners in the ~~2023~~ 2024 edition of the **Accounting Practices and Procedures Manual**, and the ~~2022~~ 2023 editions of the following **Annual Statement Instructions** manuals: **Life, Accident, and Health/Fraternal; Property/Casualty; Health; and Title.**

**Source:** 21 SDR 144, effective February 19, 1995; 22 SDR 110, effective March 1, 1996; 23 SDR 202, effective June 1, 1997; 25 SDR 13, effective August 9, 1998; 26 SDR 26, effective September 1, 1999; 27 SDR 54, effective December 4, 2000; 27 SDR 111, effective May 7, 2001; 30 SDR 39, effective September 28, 2003; 31 SDR 21, effective August 23, 2004; 33 SDR 59, effective October 5, 2006; 34 SDR 271, effective May 6, 2008; 35 SDR 165, effective December 22, 2008; 36 SDR 209, effective July 1, 2010; 37 SDR 241, effective July 1, 2011; 38 SDR 219, effective June 25, 2012; 39 SDR 219, effective June 26, 2013; 41 SDR 41, effective September 17, 2014; 42 SDR 52, effective October 13, 2015; 42 SDR 177, effective June 28, 2016; 43 SDR 181, effective July 7, 2017; 45 SDR 10, effective August 2, 2018; 46 SDR 26, effective September 4, 2019; 46 SDR 147, effective July 2, 2020; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022; 50 SDR 13, effective August 10, 2023.

**General Authority:** SDCL 58-6-75.

**Law Implemented:** SDCL 58-6-75.

**References:**

1. **Annual Statement Instructions - Life, Accident, and Health/Fraternal**, ~~2022~~ 2023 edition. Cost: ~~\$174~~ \$183.



2. **Annual Statement Instructions - Property and Casualty**, ~~2022~~ 2023 edition.  
Cost: ~~\$174~~ \$183.

3. **Annual Statement Instructions - Health**, ~~2022~~ 2023 edition. Cost: ~~\$174~~ \$183.

4. **Annual Statement Instructions - Title**, ~~2022~~ 2023 edition. Cost: ~~\$174~~ \$183.

5. **Accounting Practices and Procedures Manual**, ~~2023~~ 2024. Cost: \$550.

Copies of references 1 through 5 may be obtained from the National Association of Insurance Commissioners, 1100 Walnut Street, Ste. 1500, Kansas City, MO 64106-2197, (816) 783-8300; <http://www.naic.org>.

**20:06:25:01.01. Accounting methods for certain surety bonds.** An insurer writing surety bonds guaranteeing to lending institutions the repayment of student loans made by lending institutions may, in lieu of compliance with SSAP60 of the **Accounting Practices and Procedures Manual**, develop premium earning patterns that are representative of their claims and expense patterns by loan and program, and compute unearned premium reserves according to those premium earning patterns. In lieu of compliance with SSAP3 of the **Accounting Practices and Procedures Manual**, changes in accounting estimates, for this method of accounting only, may be amortized over the remaining life of the student loans utilizing pro-rated current premium earning patterns. In lieu of compliance with SSAP53 of the **Accounting Practices and Procedures Manual**, such insurers may recognize written premiums when due.

**Source:** 27 SDR 111, effective May 7, 2001; 29 SDR 5, effective July 10, 2002; 30 SDR 39, effective September 28, 2003; 31 SDR 21, effective August 23, 2004; 33 SDR 59, effective October 5, 2006; 34 SDR 271, effective May 6, 2008; 35 SDR 165, effective December 22, 2008; 36 SDR 209, effective July 1, 2010; 37 SDR 241, effective July 1, 2011; 38 SDR 219, effective June 25, 2012; 39 SDR 219, effective June 26, 2013; 41 SDR 41, effective September 17, 2014; 42 SDR 52, effective October 13, 2015; 42 SDR 177, effective June 28, 2016; 45 SDR 10, effective August 2, 2018; 46 SDR 26, effective September 4, 2019; 46 SDR 147, effective July 2, 2020; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022; 50 SDR 13, effective August 10, 2023.

**General Authority:** SDCL 58-6-75.

**Law Implemented:** SDCL 58-6-75.

**Reference: Accounting Practices and Procedures Manual, ~~2023~~ 2024 edition.**

Copies may be obtained from the National Association of Insurance Commissioners, 1100 Walnut Street, Ste. 1500, Kansas City, MO 64106-2197, (816) 783-8300; <http://www.naic.org>. Cost: \$550.

**20:06:25:01.02. Accounting methods for bail bonds.** An insurer writing bail bonds may, in lieu of compliance with SSAP 53 of the **Accounting Practices and Procedures Manual**, report bail bond written premiums less agent commissions and may recognize total premiums as earned on the effective date of the bonds. An insurer reporting premiums on this method shall file a supplemental Schedule T with their annual statement setting forth the gross premiums by state for premium tax purposes.

**Source:** 29 SDR 5, effective July 10, 2002; 30 SDR 39, effective September 28, 2003; 31 SDR 21, effective August 23, 2004; 33 SDR 59, effective October 5, 2006; 34 SDR 271, effective May 6, 2008; 35 SDR 165, effective December 22, 2008; 36 SDR 209, effective July 1, 2010; 37 SDR 241, effective July 1, 2011; 38 SDR 219, effective June 25, 2012; 39 SDR 219, effective June 26, 2013; 41 SDR 41, effective September 17, 2014; 42 SDR 52, effective October 13, 2015; 42 SDR 177, effective June 28, 2016; 45 SDR 10, effective August 2, 2018; 46 SDR 26, effective September 4, 2019; 46 SDR 147, effective July 2, 2020; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022; 50 SDR 13, effective August 10, 2023.

**General Authority:** SDCL 58-6-75.

**Law Implemented:** SDCL 58-6-75.

**Reference:** **Accounting Practices and Procedures Manual**, ~~2023~~ 2024 edition.

Copies may be obtained from the National Association of Insurance Commissioners, 1100 Walnut Street, Ste. 1500, Kansas City, MO 64106-2197, (816) 783-8300; <http://www.naic.org>. Cost: \$550.

**20:06:25:02. Actuarial opinions.** Actuarial opinions must be filed in accordance with standards adopted by the National Association of Insurance Commissioners in the manuals on **Annual Statement Instructions - Life, Accident, and Health/Fraternal**, ~~2022~~ 2023 edition and **Annual Statement Instructions - Property and Casualty**, ~~2022~~ 2023 edition.

**Source:** 21 SDR 144, effective February 19, 1995; 22 SDR 110, effective March 1, 1996; 23 SDR 202, effective June 1, 1997; 25 SDR 13, effective August 9, 1998; 26 SDR 26, effective September 1, 1999; 27 SDR 54, effective December 4, 2000; 30 SDR 39, effective September 28, 2003; 31 SDR 21, effective August 23, 2004; 33 SDR 59, effective October 5, 2006; 34 SDR 271, effective May 6, 2008; 35 SDR 165, effective December 22, 2008; 36 SDR 209, effective July 1, 2010; 37 SDR 241, effective July 1, 2011; 38 SDR 219, effective June 25, 2012; 39 SDR 219, effective June 26, 2013; 41 SDR 41, effective September 17, 2014; 42 SDR 52, effective October 13, 2015; 42 SDR 177, effective June 28, 2016; 43 SDR 181, effective July 7, 2017; 45 SDR 10, effective August 2, 2018; 46 SDR 26, effective September 4, 2019; 46 SDR 147, effective July 2, 2020; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022; 50 SDR 13, effective August 10, 2023.

**General Authority:** SDCL 58-26-13.1, 58-26-46.

**Law Implemented:** SDCL 58-26-13.1, 58-26-46.

**References:**

1. **Annual Statement Instructions - Life, Accident, and Health/Fraternal**, ~~2022~~ 2023 edition. Cost: ~~\$174~~ \$183.

**2. Annual Statement Instructions - Property and Casualty, ~~2022~~ 2023 edition.**

Cost: ~~\$174~~ \$183.

Copies of references 1 and 2 may be obtained from the National Association of Insurance Commissioners, 1100 Walnut Street, Ste. 1500, Kansas City, MO 64106-2197, (816) 783-8300; <http://www.naic.org>.

**20:06:26:01. Standards for rating and valuation of investments.** The standards of the division for purposes of rating and valuing investments are the standards set forth in the **Purposes and Procedures Manual of the NAIC Investment Analysis Office**, ~~2022~~ 2023 edition.

**Source:** 21 SDR 144, effective February 19, 1995; 22 SDR 110, effective March 1, 1996; 23 SDR 202, effective June 1, 1997; 25 SDR 13, effective August 9, 1998; 26 SDR 26, effective September 1, 1999; 27 SDR 54, effective December 4, 2000; 30 SDR 39, effective September 28, 2003; 31 SDR 21, effective August 23, 2004; 33 SDR 59, effective October 5, 2006; 34 SDR 271, effective May 6, 2008; 35 SDR 165, effective December 22, 2008; 36 SDR 209, effective July 1, 2010; 37 SDR 241, effective July 1, 2011; 38 SDR 219, effective June 25, 2012; 39 SDR 219, effective June 26, 2013; 41 SDR 41, effective September 17, 2014; 42 SDR 52, effective October 13, 2015; 42 SDR 177, effective June 28, 2016; 43 SDR 181, effective July 7, 2017; 45 SDR 10, effective August 2, 2018; 46 SDR 26, effective September 4, 2019; 46 SDR 147, effective July 2, 2020; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022; 50 SDR 13, effective August 10, 2023.

**General Authority:** SDCL 58-27-108.

**Law Implemented:** SDCL 58-27-108.

**Reference:** **Purposes and Procedures Manual of the NAIC Investment Analysis Office**, ~~2022~~ 2023 edition, National Association of Insurance Commissioners. Copies may be obtained from the NAIC, 1100 Walnut Street, Ste. 1500, Kansas City, MO 64106-2197, (816) 783-8300; <http://www.naic.org>. Cost: \$0.

**20:06:36:01. Definitions.** Terms used in this chapter mean:

(1) "Adjusted RBC report," a RBC report that has been adjusted by the director in accordance with § 20:06:36:06;

(2) "Corrective order," an order that has been issued by the director and which specifies the corrective actions;

(3) "Domestic insurer," any insurance company domiciled in this state or any entity required to comply with RBC pursuant to SDCL 58-4-48;

(4) "Domestic health organization," any health organization domiciled in this state;

(5) "Foreign insurer," any insurance company that is licensed to do business in this state but not domiciled in this state;

(6) "Foreign health organization," any health organization that is licensed to do business in this state, but not domiciled in this state;

(7) "Health organization," any health maintenance organization, limited health service organization, dental or vision plan, hospital, medical and dental indemnity or service corporation, and other managed care organization licensed under SDCL title 58, except an organization that is:

(a) Licensed as a life or health insurer or property and casualty insurer; and

(b) Subject to either life or property and casualty RBC requirements;

(8) "NAIC," the National Association of Insurance Commissioners;

(9) "Life or health insurer," any:

(a) Insurance company licensed under SDCL title 58 to write life or health insurance; or



(b) Property and casualty insurer licensed to do business in this state writing only accident and health insurance;

(10) "Property and casualty insurer," any insurance company licensed under SDCL title 58 to do business in this state, but not monoline mortgage guaranty insurers, financial guaranty insurers, or title insurers;

(11) "Negative trend," for a life or health insurer, a negative trend in the level of risk-based capital over a period of time;

(12) "RBC," risk-based capital;

(13) "RBC instructions," the ~~2022~~ 2023 **NAIC RBC Forecasting and Instructions-Life/Fraternal**, the ~~2022~~ 2023 **NAIC RBC Forecasting and Instructions-Property/Casualty**, and the ~~2022~~ 2023 **NAIC RBC Forecasting and Instructions-Health**;

(14) "RBC plan," a comprehensive financial plan containing the elements specified in § 20:06:36:08;

(15) "RBC report," the report required in §§ 20:06:36:03 to 20:06:36:06, inclusive;

(16) "Revised RBC plan," a rejected RBC plan by the director that is revised by the insurer or health organization, with or without the director's recommendation;

(17) "Total adjusted capital," the sum of an insurer's or health organization's statutory capital and surplus as determined in accordance with the statutory accounting applicable to the annual financial statements required to be filed under SDCL 58-6-75, and any other items required by the RBC instructions.

**Source:** 23 SDR 228, effective July 3, 1997; 25 SDR 13, effective August 9, 1998; 26 SDR 26, effective September 1, 1999; 27 SDR 54, effective December 4, 2000; 30 SDR

39, effective September 28, 2003; 31 SDR 21, effective August 23, 2004; 33 SDR 59, effective October 5, 2006; 34 SDR 271, effective May 6, 2008; 35 SDR 165, effective December 22, 2008; 36 SDR 209, effective July 1, 2010; 37 SDR 241, effective July 1, 2011; 38 SDR 219, effective June 25, 2012; 39 SDR 219, effective June 26, 2013; 41 SDR 41, effective September 17, 2014; 41 SDR 93, effective December 3, 2014; 42 SDR 52, effective October 13, 2015; 42 SDR 177, effective June 28, 2016; 43 SDR 181, effective July 7, 2017; 45 SDR 10, effective August 2, 2018; 46 SDR 26, effective September 4, 2019; 46 SDR 147, effective July 2, 2020; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022; 50 SDR 13, effective August 10, 2023.

**General Authority:** SDCL 58-4-48.

**Law Implemented:** SDCL 58-4-48.

**References:**

1. **2022 2023 NAIC RBC Forecasting and Instructions-Life/Fraternal.** Cost: ~~\$115~~ \$121.

2. **2022 2023 NAIC RBC Forecasting and Instructions-Property/Casualty.** Cost: ~~\$115~~ \$121.

3. **2022 2023 NAIC RBC Forecasting and Instructions-Health.** Cost: ~~\$115~~ \$121.

Copies of references 1 through 3 may be obtained from the National Association of Insurance Commissioners, 1100 Walnut Street, Ste. 1500, Kansas City, MO 64106-2197, (816) 783-8300; <http://www.naic.org>.

**20:06:59:01. Valuation manual--Operative date.** The valuation of reserve liabilities for life insurance contracts, annuity and pure endowment contracts, accident and health contracts, and deposit-type contracts must be calculated in accordance with the standards in the Valuation Manual of the National Association of Insurance Commissioners, ~~2023~~ 2024 edition. The operative date for the valuation manual is ~~January 1, 2023~~ January 1, 2024.

**Source:** 43 SDR 80, effective December 5, 2016; 45 SDR 10, effective August 2, 2018; 46 SDR 26, effective September 4, 2019; 46 SDR 147, effective July 2, 2020; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022; 50 SDR 13, effective August 10, 2023.

**General Authority:** SDCL 58-26-45.1.

**Law Implemented:** SDCL 58-26-44.1(11), 58-26-45.1.

**Reference:** **Valuation Manual of the National Association of Insurance Commissioners**, ~~2023~~ 2024 edition, National Association of Insurance Commissioners. Copies may be obtained from the NAIC, 1100 Walnut Street, Ste. 1500, Kansas City, MO 64106-2197, (816) 783-8300; <http://www.naic.org>. Cost: \$0.