

Memorandum Bulletin of July 25, 1988 (A)

Large premium modifiers

July 25, 1988

The South Dakota Division of Insurance has become increasingly concerned with the dramatic effects that large premium modifiers have had on our State's insureds over the years. Because of the enormous impact of the cycles that are in part created by these large premium modifiers, the Division has found it necessary to place a maximum of 25% on all plans to be issued in the state of South Dakota. The Director finds that any deviation in excess of 25% is not a proper rating unit as provided in 58-24-50 and 51. Your voluntary compliance will be appreciated. If you disagree with this decision you are entitled to a hearing. You must contact the Division to schedule one.

It will not be necessary to refile new individual risk premium modifications (IRPM); your signature in the space provided will serve as a filing to modify your existing program to reflect a cap of 25% which will acknowledge your receipt and understanding of this memorandum as well as your intent to comply with this directive.

The new IRPM cap will become effective for all new business immediately and for existing policies upon renewal. Company records will be reviewed and rates evaluated on a random basis.

Please sign in the space provided below and return to the Division prior to August 12, 1988. Thank you for your cooperation in this matter.

Name of Company: _____

Date: _____

Signature: _____

Position or Title: _____

Mary Jane Cleary
Director of Insurance