

**DIVISION OF INSURANCE**

124 S. Euclid Ave., 2nd Floor, Pierre, South Dakota 57501  
Tel: 605.773.3563 Fax: 605.773.5369 dlr.sd.gov/insurance

**PURCHASING GROUP (RRG) REGISTRATION PACKET  
TO DO THE BUSINESS OF INSURANCE**

The information necessary to complete your registration of “Intent To Do Business” under the Risk Retention Act of 1986 and SDCL 58-6A is enclosed. No fee is charged for registration of a PG.

Division Position: The Division is charged with the regulation and oversight of the seller of insurance products --- the insurers and their producers. The purchasing group and its members are viewed as the buyer --- therefore, the regulation and oversight of a PG has market conduct orientation.

A purchasing group and its representatives are subject to compliance with the following chapters of Title 58 - South Dakota Insurance Code:

6A - Risk retention groups

All Producers, Agents & Brokers associated with Risk Purchasing Groups need to comply among other provisions with the following chapters:

30 - Insurance Producers

33 - Unfair trade practices

**Please provide the FEIN for the Purchasing Group with the application.**

Please contact the Division of Insurance with any questions

**STATE OF SOUTH DAKOTA  
DIVISION OF INSURANCE**

**SUMMARY:  
PURCHASING GROUP (PG)  
REGISTRATION TO CONDUCT INSURANCE BUSINESS**

**DEFINITION OF A PURCHASING GROUP [SDCL 58-6A-1]**

Purchases liability insurance on a group basis;  
Purchases such insurance only:  
    for group members;  
    to cover similar or related liability exposure;  
Member's businesses or activities are similar or related with respect to their liability exposures by virtue of any related, similar or common business, trade, product, services, premises or operations;  
Is domiciled in any State.

**ITEMS TO BE FURNISHED TO THE DIVISION OF INSURANCE (DOI) (SDCL 58-6A-17)**

- Complete principal business address of purchasing group, including street and/or post office box and phone number;
- State of domicile of purchasing group;
- Insurer(s) underwriting insurance coverage for purchasing group, complete address,
- State of domicile and license status in South Dakota;
- Specify the lines and classifications of liability insurance to be purchased;
- Provide such other information as may be required by the Division to verify that the purchasing group is qualified as defined above;
- Designate the Director of the Division of Insurance as its agent solely for the purpose of receiving service of legal documents or process, unless it qualifies under the "grandfather" provision SDCL 58-6A-18(3).

**PURCHASE OF INSURANCE (SDCL 58-6A)**

ADMITTED INSURER: Purchase is affected through appointed, resident or non-resident producers, duly licensed by the South Dakota Division of Insurance.

NON-ADMITTED INSURER: Purchase is affected through a surplus lines broker (SL Broker) duly licensed by the South Dakota Division of Insurance.

**LICENSURE OF PURCHASING GROUP REPRESENTATIVES (SDCL 58-6A-22)**

Any person acting, or offering to act, as an insurance producer for a purchasing group, which solicits members, sells insurance coverage, purchases coverage for its members located within this State or otherwise does business in this State shall, before commencing any such activity, obtain a license from the Division of Insurance.

Non-residents may be issued a Surplus Lines Broker license.

## PREMIUM TAX ON SOUTH DAKOTA RISK(S) INSURED

Tax rate: 2.5%. Basis: Gross Direct Written Premium - Returned Premium.

| Insurer Status          | Remitted By | Date Due |
|-------------------------|-------------|----------|
| <u>Admitted</u>         | Insurer     | March 1  |
| <u>Non Admitted</u> *** |             |          |
| Surplus Lines           | SL Broker   | April 1  |
| Risk Retention Group    | SL Broker   | April 1  |

All Forms are available on the Division of Insurance web site at the following address:

<http://dlr.sd.gov/insurance>

\*\*\* A purchasing group or an individual member of a PG may be subject to payment of premium tax if tax is not paid by the Surplus Lines Broker or Risk Retention Group.

## POLICY FORM AND RATE REQUIREMENTS

Admitted Insurer - - - - File and Use required by SDCL 58-11 & 58-24-10.

Non-Admitted Insurer - Informational basis only.

## GENERAL COMMENTS

Registration Procedure: (1) Review of registration materials;  
(2) Request and review additional information (if any);  
(3) Send PG letter confirming registration and qualification to do the business of insurance in South Dakota.

Notice of "Registered" status by the South Dakota Division of Insurance and compliance with agency procedures outlined above is **prerequisite** to the transaction of **any** insurance business in South Dakota under the Liability Risk Retention Act of 1986.

NAIC Purchasing Group Uniform Registration Forms may be submitted to the South Dakota Division of Insurance.

Resident and non-resident producer licensing and reporting forms are available, upon request and on the Division of Insurance web site (<http://dlr.sd.gov/insurance>).

Contact: Penney Wagoner, Producer Licensing.

The following is the uniform registration form adopted in June 1991, by the NAIC.

**Part A**

**STATE OF \_\_\_\_\_**

**DEPARTMENT OF INSURANCE  
PURCHASING GROUP-NOTICE AND REGISTRATION**

(All Information should be typed)

1. a) Name of the Purchasing Group:

---

---

1. b) FEIN:

---

2. List any other name(s) by which the Purchasing Group is known or may be doing business in this State or any other state:

---

---

3. a) Form of organization (i.e., corporation, partnership, association) and the state in which organized:

---

b) Purpose(s) of organization:

---

---

4. a) The Purchasing Group is domiciled in the State of: \_\_\_\_\_

b) Address: \_\_\_\_\_

---

5. Physical address of the administrative offices of the Purchasing Group, if different from response to item #4b above:

---

---

**PURCHASING GROUP FORM**

6. The Purchasing Group intends to purchase the following classifications of liability insurance and/or sub-classifications thereof:

---

---

7. The Purchasing Group intends to purchase the liability insurance described in item #6 above from the following insurance company or companies: [ Give full name of company, state of domicile, NAIC code and Federal Employer identification Number (FEIN) ].

| <u>Name of Company</u> | <u>State of Domicile</u> | <u>NAIC Code</u> | <u>FEIN</u> |
|------------------------|--------------------------|------------------|-------------|
|                        |                          |                  |             |
|                        |                          |                  |             |
|                        |                          |                  |             |
|                        |                          |                  |             |

8. List the name, address and social security number (SS#) of each officer and director of the Purchasing Group: (Attach additional pages if necessary.)

| <u>Name</u> | <u>Address</u> | <u>SS#</u> | <u>Position with Purchasing Group</u> |
|-------------|----------------|------------|---------------------------------------|
|             |                |            |                                       |
|             |                |            |                                       |
|             |                |            |                                       |
|             |                |            |                                       |

9. List the name, SS#, address and telephone number of the person within the Purchasing Group who is most knowledgeable about the Purchasing Group's insurance program, including membership criteria and coverages:

| <u>Name</u> | <u>SS#</u> | <u>Address</u> | <u>Telephone #</u> |
|-------------|------------|----------------|--------------------|
|             |            |                |                    |
|             |            |                |                    |
|             |            |                |                    |

10. List the name, FEIN, address and telephone number of the company that manages or administers the insurance program for the Purchasing Group, and the name, SS# and telephone number of the person responsible for the Group's insurance program: (If none, answer none.)

| <u>Name</u> | <u>FEIN/SS#</u> | <u>Address</u> | <u>Telephone #</u> |
|-------------|-----------------|----------------|--------------------|
|             |                 |                |                    |
|             |                 |                |                    |
|             |                 |                |                    |

---

---

**PURCHASING GROUP FORM**

11. List the name (s), SS# (s) and address (es) of the licensed insurance producer, surplus line broker (s) responsible for the purchase of liability insurance for the Purchasing Group and its members and the state (s) in which they are licensed: (Attach additional pages, if necessary. If none, answer none.)

| <u>Name</u> | <u>SS#</u> | <u>Address</u> | <u>State (s)</u> |
|-------------|------------|----------------|------------------|
|             |            |                |                  |
|             |            |                |                  |
|             |            |                |                  |

12. Has any person transacting business on behalf of this Purchasing Group ever:

- a) been arrested, indicted and convicted of a felony or is a felony charge currently pending against any such person?\_\_\_\_\_
- b) had denied any application for a professional, vocational or business license?\_\_\_\_\_
- c) had suspended or revoked any such license?\_\_\_\_\_
- d) had withdrawn or surrendered any such application or license to avoid potential disciplinary action against licensee?\_\_\_\_\_

If the answer to any part of this question is yes, attach a supplementary statement explaining in full each such occurrence.

13. The Purchasing Group is composed of members whose business or activities are similar or related with respect to the liability to which members are exposed by virtue of any related, similar or common business, trade, product, services, premises or operations. Give a General Description of Business or activities engaged in by Purchasing Group members:

---

---

---

14. The Purchasing Group purchases the liability insurance listed in Item #6 above only for its group members and only to cover their similar or related liability exposure, as described in Item #13 above.

15. The Purchasing Group has as one of its purposes the purchase of liability insurance on a group basis.



**PART B**

**PURCHASING GROUP FORM**

**APPOINTMENT OF ATTORNEY TO ACCEPT SERVICE AND DESIGNATION**

The \_\_\_\_\_ ("the Group"), a purchasing group organized under the laws of the State of \_\_\_\_\_, having notified the Insurance Commissioner [Director, Superintendent] of the State of \_\_\_\_\_ of its intention to do business in this State as a purchasing group pursuant to the federal Liability Risk Retention Act of 1986, hereby appoints the Insurance Commissioner [Director, Superintendent] of the State of \_\_\_\_\_, any successor in office, and any authorized deputy for its true and lawful attorney, in and for the State of \_\_\_\_\_, upon whom all legal documents or process in any proceeding against it may be served. Such service of process shall be of the same legal force and validity as if served personally upon the Group.

The Group designates:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, Town or Village)

\_\_\_\_\_  
(State and Zip Code)

as its officer, agent or other person to whom shall be forwarded all legal documents or process served upon the Insurance Commissioner [Director, Superintendent] of the State of \_\_\_\_\_, any successors in office, or any authorized deputy, for the Group. This designation shall continue in full force and effect until superseded by a new written designation filed with the Insurance Commissioner [Director, Superintendent].





**APPOINTMENT AND DESIGNATION  
OF  
SOUTH DAKOTA DIRECTOR OF INSURANCE  
AS  
AGENT FOR SERVICE OF PROCESS**

\_\_\_\_\_, domiciled in the State  
(Name of Purchasing Group or Risk Retention Group)

of \_\_\_\_\_ and having its principal office located at

\_\_\_\_\_,  
(Address of Purchasing Group or Risk Retention Group)

is a \_\_\_\_\_ as defined  
(State whether a Purchasing Group or Risk Retention Group)

in the Federal Liability Risk Retention Act of 1986. In accordance with the terms and

requirements of the that Act, \_\_\_\_\_ does  
(Name of Purchasing Group or Risk Retention Group)

hereby appoint and designate the South Dakota Director of Insurance as its agent for the purpose of  
receiving service of legal documents or process for claims made against the

\_\_\_\_\_ in a court in this State arising out  
(Name of Purchasing Group or Risk Retention Group)

of or related to its activities under the insurance and related laws of South Dakota. Service of  
process upon the Director shall be considered as valid as if served upon

\_\_\_\_\_ according to the laws of  
(Name of Purchasing Group or Risk Retention Group)

this or any other State, if the Director provides a copy of such service of legal documents to

\_\_\_\_\_ at its address indicated above.  
(Name of Purchasing Group or Risk Retention Group)

BY: \_\_\_\_\_  
Signature of Authorized Official Title

Date: \_\_\_\_\_