



# Division of Insurance

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## Northern Plains Insurance Company, Inc. in Liquidation

On Sept. 18, 2012, Insurance Director Merle Scheiber was appointed Liquidator of Northern Plains Insurance Company, Inc., a South Dakota domestic insurer based in Watertown, which specialized in the substandard auto market.

The liquidation of the insolvent company was initiated to protect the policyholders and creditors of Northern Plains. Due to the liquidation, Northern Plains claims were transferred to the South Dakota Insurance Guaranty Association to evaluate coverage.

All Northern Plains policies were cancelled effective Oct. 18, 2012. Statutory notices were sent out the week of Sept. 24, 2012, to all known policyholders and creditors detailing the liquidation process. Those who believe they have claims against the liquidated insurer may file a Proof of Claim form by the Dec. 15, 2012, deadline. The Proof of Claim form, statutory notices, and other information may be found on the company's website: [www.northernplainsins.com](http://www.northernplainsins.com).

## Benchmark Plan for Essential Benefits Chosen

The Wellmark Blue Cross BlueShield Blue Select plan has been chosen by Governor Dennis Daugaard as the benchmark in South Dakota for essential health benefits. The Blue Select plan contains all but one of the 10 essential health benefit categories. The remaining essential health benefit category is pediatric vision and dental, which will be included in the benchmark by supplementing the Blue Select plan with the Federal Employees Dental Vision Insurance Plan (FEDVIP). The benchmark establishes a floor of minimum benefits for plans sold through an exchange in South Dakota.



## Final Exchange Decision Reached

Governor Dennis Daugaard decided South Dakota would not be establishing a state-based exchange under the Patient Protection and Affordable Care Act. Therefore, it will be the federal government's responsibility to establish and maintain insurance exchanges in this state. However, South Dakota does intend to maintain state regulatory authority over the health insurance market through the performance of plan management activities.



## Medicare Benefit Change Notifications

The notice requirement in ARSD 20:06:13:51 is contingent upon Medicare announcing its changes for 2013, which as of the date this newsletter was published, has not been announced by HHS. Therefore the Division of Insurance will be flexible in the form used to notify individuals of those changes including providing limited notice. For example with the notices on postcards or similar documents with the additional required information available with both electronic and paper formats for the policyholder may be used.

## Division Adopts NAIC Life/Annuity Replacement Model

Effective Jan. 1, 2013, and sooner for those insurers who choose to adopt early, new replacement requirements come into effect for life and annuity business. This will necessitate using the NAIC replacement form instead of the South Dakota form that had been previously required. In addition, there are also specific procedures for agents to follow with respect to replacement questions of prospective insured's. A replacement notice is required to be provided if the applicant has existing policies or contracts. The agent is also responsible for leaving sales material with the applicant when a replacement is involved.

## Recent Administrative Rule Changes & Bulletins

### Bulletins

12-04 – Annuity Contracts that Provide Access to Benefit Guarantees or Values Based on Long-Term Care Type of Triggers

12-05 – Summary of Benefits and Comparisons (SBC) Requirements/Outline of Coverage

### Rules

20:06:08 – Life Insurance and Annuities – Jan. 1, 2013

20:06:18 – Definition of Initial Pretrial Hearing – Oct. 4, 2012

## Omission to Rule 20:06:08

It has recently come to the attention of the South Dakota Division of Insurance, while comparing ARSD 20:06:08 and the NAIC Life and Annuity Replacement Model, that the formatting for listing existing policies of contracts and a signature line of Appendix A & C of the NAIC model were inadvertently omitted from ARSD 20:06:08. Therefore, if you comply with the NAIC Life and Annuity Replacement Model, you will be compliant with ARSD 20:06:08. We strongly encourage you to use the NAIC model.

## Personal Compliance Tool – ProducerEDGE

ProducerEDGE helps producers keep track of all of their licenses, renewal dates, related lines of authority, CE information, and more, in one convenient, dashboard-style online location. ProducerEDGE provides convenient e-mail reminders when your licenses approach expiration and when an application changes status with the state.

**My Licenses** displays license numbers, license types, lines of authority, and expirations from one convenient location. It provides two ways to enter licensing information; you can:

1. Load your license information directly from the states by way of connecting directly with the PDB and importing your licensing and line of authority information, with just one click.\*
2. Enter your licensing information manually, which gives you a convenient way to track information not supplied by the states, or non-insurance license information.

Automatic renewal reminders and status update notifications help keep you organized and legal to sell with system-generated e-mail reminders indicating when your licenses are approaching expiration and when your license application or renewal status has changed with the state.

Continuing Education compliance summaries provide at-a-glance status information, immediately informing you on whether you are CE compliant and able to sell in each state in which you are licensed.

Update your address, e-mail, print a license, or renew your license right from ProducerEDGE.

To check out this option to manage your insurance producer licenses, please go to [www.produceredge.com/southdakota](http://www.produceredge.com/southdakota).

\*There is no fee to sign up for this service and the first load of information from the PDB, but fees could apply if future updates from the PDB are requested from the producer.