



Division of Insurance

445 E. Capitol Ave. | Pierre, SD 57501
Phone: 605.773.3563 | Fax: 605.773.5369
insurance@state.sd.us
Merle Scheiber, Director

dlr south dakota department of
labor and regulation

Summer 2012

In this Issue

Page 1

Patient Protection and Affordable Care Act Ruling

New Filing Requirements for Surplus Lines Brokers

Page 2

Recent Administrative Rule Changes & Bulletins

Continuing Education for Crop Licensees

Deadline for Annuity Training

Patient Protection and Affordable Care Act Ruling

The United States Supreme Court has ruled on the Patient Protection and Affordable Care Act (PPACA) and found it to be constitutional except for certain provisions related to the Medicaid program. This means that all of the insurance related provisions of the legislation are applicable. There are a number of provisions of the legislation that



become effective on Jan. 1, 2014, including the individual mandate, exchanges, modified community rating and guaranteed issue. What role the state of South Dakota may play in implementing these provisions is currently under consideration by the Governor. You are encouraged to watch for announcements from the Division for developments regarding implementation of the legislation.

New Filing Requirements for Surplus Lines Brokers

South Dakota, as a signatory of the Nonadmitted Insurance Multi-State Agreement (NIMA), will usher in a new system of filing multi-state placements for surplus lines brokers. This change affects surplus lines brokers which offer multi-state policies where South Dakota or another NIMA state is the "Home State" according to the Nonadmitted and Reinsurance Reform Act of 2010 (NRRRA).

Where South Dakota is the Home State and a multi-state policy is issued, brokers must file tax information and remit premium tax through the Clearinghouse, whose website is located here: <http://www.slclearinghouse.com>. Brokers filing with the Clearinghouse will need to register on the Clearinghouse website. Single-state policies will need to be filed with the State of South Dakota as they have in the past.

The Division is working to have all surplus lines filings processed through the Clearinghouse effective Oct. 1, 2012. The goal is to give surplus lines brokers the ability to file returns and remit premium tax through a single portal.

More detailed information on surplus lines tax in South Dakota is available at the Division's website: http://dlr.sd.gov/insurance/companies/surplus_lines.aspx.

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

Recent Administrative Rule Changes & Bulletins

Bulletins

12-03 Surplus Lines Agents and Independently Procured Insurance Filers

Rules

Date Certain – June 25, 2012

20:06:18 – Maximum Company Sponsored Courses – June 25, 2012

20:06:13 – Medicare Supplement – Aug. 1, 2012

20:06:21 – Long Term Care – Aug. 1, 2012

Continuing Education for Crop Licensees

The Division has amended the continuing education rule for crop licensees. The limitation for CE credit of no more than one-half of the required CE hours for any licensee from courses sponsored by any one insurance company has been modified to exclude the crop qualification. Crop agents may now obtain their entire CE from one insurance company sponsored course. The maximum company-sponsored course rule still remains in effect for all other licensees.



Deadline for Annuity Training

Agents that sell annuities are reminded that the deadline for completing annuity training is Jan. 1, 2013. This training must be completed in order to continue to sell annuities.