



# Division of Insurance

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## In this Issue

### Page 1

Division of Insurance  
Reaccredited

Insurance Agents as  
Consultants - Sales  
Tax Liability

### Page 2

Launch of New  
Health Care Reform  
Website

Exchange Filings

Annuity Training  
Reminder

State Division of  
Insurance Levies  
Monetary Penalty

### Page 3

CMS Agent Training  
Available

CMS Federal  
Consumer Call Center  
Opens

Secretary of Labor  
and Regulation  
Issues Report to  
Governor on Division  
of Insurance

## Division of Insurance Reaccredited

The South Dakota Department of Labor and Regulation, Division of Insurance (DOI) was reaccredited by the NAIC this year. Accreditation is a crucial designation, as it allows other states to accept our determination of the solvency of South Dakota domestic insurers. If the DOI was not accredited, our domestic insurers would be subject to costly financial examinations by other state insurance departments where they transact business.



The various accreditation reviews done by the NAIC focus on the financial analysis and financial examination functions within each state. The reviews also provide each state with identified areas of improvement to achieve the mission of the NAIC accreditation program.

The mission of the NAIC accreditation program is “to establish and maintain standards to promote sound insurance company financial solvency regulation.” With the NAIC accreditation program’s mission, the Division of Insurance is better equipped to fulfill its own mission to protect the public and make insurance available and affordable by efficiently providing quality assistance, providing fair regulation for industry and promoting a healthy, competitive insurance market.

## Insurance Agents as Consultants - Sales Tax Liability

The 2013 South Dakota Legislature passed Senate Bill 61, allowing insurance agents to act as consultants and charge consulting fees. If you or your agency charge a fee for consulting and do not include this fee as a taxable insurance premium, you may have a state sales tax liability. As noted in SDCL 58-30-144.1, a fee and a commission may not be charged to the same insurance customer. Please contact the South Dakota Taxpayer Assistance Center and speak with a tax agent regarding the possible taxability of the charges for services or sales made.

Please call 800.829.9188 for assistance with sales tax questions or 605.773.3563 for premium tax questions.

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

## Launch of New Health Care Reform Website



While South Dakota will not be running a State Based Exchange, the Department of Labor and Regulation's Division of Insurance is committed to making sure South Dakota consumers have access to important, up-to-date information about the Patient Protection and Affordable Care Act and the Federally Facilitated Exchange (Marketplace).

In order to direct consumers to information regarding the Exchange (Marketplace), a new federal health reform website for South Dakota has been launched. This new website will direct consumers to information regarding individuals, families, employers and agents.

You can find this website at [www.federalhealthreform.sd.gov](http://www.federalhealthreform.sd.gov).

## Exchange Filings

The Division of Insurance has reviewed all rates, forms and binders submitted by individual and small group insurers to participate in the Federally Facilitated Health Insurance Exchange.

Applications filed for the Exchange (Marketplace) were due June 15, 2013, and were officially approved or disapproved on July 19, 2013. The state has certified three health insurance providers and four dental providers. Those certifications will be submitted to the federal government for approval. Insurers will have the opportunity to sign agreements to sell through the Federally Facilitated Exchange in September 2013.

These providers and their rates can be found at [http://dlr.sd.gov/insurance/consumers/companies\\_licensed\\_health\\_insurance\\_exchange.aspx](http://dlr.sd.gov/insurance/consumers/companies_licensed_health_insurance_exchange.aspx).

## Annuity Training Reminder

As a reminder for any insurance producer planning to sell annuity products, including those who are otherwise exempt from continuing education requirements, a minimum of four hours of training is required to be completed prior to the sale of any annuity products pursuant to SDCL 58-33A-25.1.

Insurers are required to obtain verification that its producer receives the required training before allowing the producer to sell an annuity product pursuant to SDCL 58-33A-25.3.

Per SDCL 58-33A-25.2, South Dakota will consider the training requirements as having been met if similar training is done in another state.



## State Division of Insurance Levies Monetary Penalty

After a three-year examination of Ability Insurance Company, the South Dakota Division of Insurance has reached a settlement that will assess Ability a monetary penalty of \$325,000 to the State of South Dakota.

For the full news release, please visit [http://dlr.sd.gov/news/releases13/nr071013\\_doi\\_ability\\_monetary\\_penalty.pdf](http://dlr.sd.gov/news/releases13/nr071013_doi_ability_monetary_penalty.pdf).

## CMS Agent Training Available

Agents and brokers wanting to sell in the Federally Facilitated Exchange (Marketplace) are required to complete the federal online training offered through the Center for Medicare and Medicaid Services (CMS).

CMS agent/broker federal training for the Federally Facilitated Marketplace (FFM) is now available. All training will occur online. Agents and brokers may begin training immediately. The second part of the agent/broker FFM registration process will be available later in August. At that time, agents/brokers will be able to obtain an active FFM User ID by completing a federal identity verification process online (required in order to get commissions via Marketplace enrollment).

To take the training now, please visit <http://Marketplace.MedicareLearningNetworkLMS.com>.

## CMS Federal Consumer Call Center Opens

The CMS Federally Facilitated Marketplace consumer call center is now taking calls from consumers, beginning with educational information and then assisting with enrollment and plan selection on Oct. 1, 2013.

You can get information for the call center at <https://www.healthcare.gov/help-center> or by calling 800.318.2596 or 855.889.4325 (TTY) for the Individual Exchange; for the SHOP Exchange call 800.706.7893 or 800.706.7915 (TTY).

## Secretary of Labor and Regulation Issues Report to Governor on Division of Insurance

As a result of Secretary Pam Roberts' report issued to the Governor on June 27, 2013, several pieces of legislation concerning consumer protection will be considered for introduction. The South Dakota Division of Insurance will be accepting recommendations for this proposed legislation until Sept. 1, 2013.

Please send recommendations to [joshua.andersen@state.sd.us](mailto:joshua.andersen@state.sd.us).

The news release, with the full report, can be viewed at [http://dlr.sd.gov/news/releases13/nr062713\\_doi\\_report.aspx](http://dlr.sd.gov/news/releases13/nr062713_doi_report.aspx).