

Bulletin 25-01

To: Enhanced Direct Enrollment Entities
Health Insurance Issuers
Health Insurance Producers
From: Larry Deiter, Director
Date: March 5, 2025
Re: Enhanced Direct Enrollment Entity Compliance

The South Dakota Division of Insurance (Division) has been reviewing the role of Enhanced Direct Enrollment Entities (EDEs) in the health insurance space. In light of federal guidance, insurance complaints, and health insurance issuer discussions, the Division is issuing this guidance regarding EDE compliance issues:

1. **EDEs.** A third-party administrator license and an insurance producer license are required to operate as an EDE in the South Dakota market. With the exception of federally certified Navigators, EDEs may not accept insurance business from unlicensed or unappointed persons or entities.
2. **Health Insurance Issuers.** Health insurance issuers which pay a transaction fee, service fee, commission, or other monetary compensation to an EDE must appoint the EDE. This does not apply to payments to EDEs solely for services providing a “white label” onboarding platform.
3. **Insurance Producers.** Any person or entity utilizing an EDE to enroll South Dakota consumers must be licensed and appointed with the health insurance issuer unless they are a federally certified Navigator.

All licensees, persons, and entities in this Bulletin have 90 days from the date of this Bulletin to come into compliance.