

**BEFORE THE DIVISION OF INSURANCE  
DEPARTMENT OF LABOR AND REGULATION  
STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE MARKET  
CONDUCT EXAMINATION OF  
NATIONAL CROP INSURANCE  
SERVICES, INC.**

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW AND  
ORDER**

On June 15, 2020, the South Dakota Division of Insurance ("Division") submitted a Market Conduct Examination Report ("Report") to National Crop Insurance Services, Inc. (the "Company"), whose address of record is 8900 Indian Creek Parkway #600, Overland Park, KS 66210. The Director reviewed the Report and makes the following Findings of Fact, Conclusions of Law and Order, pursuant to SDCL § 58-3-12 and SDCL Chapter 1-26:

**FINDINGS OF FACT**

**I.**

The Company is a licensed nonprofit advisory organization in South Dakota and subject to examination pursuant to SDCL § 58-3-1.

**II.**

On June 25, 2019, a call letter was sent to the Company to initiate the examination.

**III.**

The period of the Market Conduct Examination of the Company was from January 1, 2014 through December 31, 2018, unless otherwise noted in the Report.

**IV.**

The Target Market Conduct Examination of the Company resulted in a Report, which the Division has reviewed.

**V.**

The finalized Report was transmitted by the Division to the Company via Electronic Mail on June 15, 2020.

**VI.**

The Company received the Report via Electronic Mail on June 15, 2020.

**VII.**

The Company did not provide the Division with written responses to the Report pursuant to SDCL § 58-3-12.

**VII.**

The Director has considered and reviewed the Report.

**IX.**

To the extent any of the foregoing are improperly designated and are instead conclusions of law, they are hereby redesignated and incorporated herein as Conclusions of Law.

**CONCLUSIONS OF LAW**

**I.**

The Director of the Division has jurisdiction over this matter, pursuant to SDCL Chapter 58-3.

**II.**

SDCL §§ 58-3-12 and 58-3-17 require the Director to issue an Order in this matter, pursuant to SDCL Chapter 1-26. The Report may be adopted as filed or with modifications or corrections, or the Report may be rejected in full, or the Director may call for an investigatory hearing.

**III.**

Pursuant to SDCL § 58-3-17, the Company must serve its directors with a copy of this Order and the Report and file affidavits from the directors with the Division stating they have received a copy of the Order and Report.

**IV.**

Pursuant to SDCL §§ 1-27-1.5(5) and 58-3-14, the Report is not open to public inspection for a period of 30 days after the date of this Order.

**V.**

Pursuant to SDCL § 58-3-25, the Director has the authority to set forth the time frame for implementation of the Report recommendations.

**VI.**

To the extent any of the foregoing are improperly designated and are instead findings of fact, they are hereby redesignated and incorporated herein as Findings of Fact.

**ORDER**

It is hereby ORDERED pursuant to SDCL § 58-3-12(1), that the contents of the Report are adopted; and it is further

ORDERED pursuant to SDCL § 58-3-17, the Company is to serve a copy of the Order and Report on each member of its Board of Directors; and it is further


ORDERED pursuant to SDCL § 58-3-17, that within 30 days of the date of this Order, the Company shall file affidavits with the Division, executed by each member of its Board of Directors, stating that they have received a copy of the Order and Report; and it is further

ORDERED the Director will release the adopted Report in compliance with SDCL § 58-3-14 unless a court of competent jurisdiction stays its publication; and it is further

ORDERED that this Order may not be used by any person for any competitive purpose or used in a manner that would violate SDCL Chapter 58-33.

This Order may be appealed to the Circuit Court and South Dakota Supreme Court pursuant to SDCL Chapter 1-26.

Dated this 23<sup>rd</sup> day of September, 2020.

  
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Larry Deiter, Director  
South Dakota Division of Insurance  
124 South Euclid Avenue, 2<sup>nd</sup> Floor  
Pierre, SD 57501

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**IN THE MATTER OF THE MARKET  
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**NOTICE OF ENTRY OF  
ORDER**

NOTICE IS HEREBY GIVEN that attached hereto is a true and correct copy of the Findings of Fact, Conclusions of Law and Order as entered by Larry Deiter, Director of the South Dakota Division of Insurance, Department of Labor and Regulation, dated September 23, 2020.

Dated this 23<sup>rd</sup> day of September, 2020.



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Lisa M. Harmon, Legal Counsel  
South Dakota Division of Insurance  
Department of Labor and Regulation  
124 S. Euclid Ave., 2<sup>nd</sup> Floor  
Pierre, SD 57501

**CERTIFICATE OF SERVICE**

I, Lisa M. Harmon, the undersigned, do hereby certify that on this 23<sup>rd</sup> day of September, 2020, a true and correct copy of the Findings of Fact, Conclusions of Law and Order with respect to the above-entitled action was sent Certified Mail thereon, to the following:

National Crop Insurance Services, Inc.  
Attn: Jay Matthew South  
8900 Indian Creek Parkway #600  
Overland Park, KS 66210

Dated this 23<sup>rd</sup> day of September, 2020 in Pierre, South Dakota.



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Lisa M. Harmon, Legal Counsel  
South Dakota Division of Insurance  
Department of Labor and Regulation  
124 S. Euclid Ave., 2<sup>nd</sup> Floor  
Pierre, SD 57501