

# FAQs-South Dakota Business Entity Renewals

This pertains to Business Entities licensed pursuant to SDCL 58-30

- 1. Will all business entity licenses renew on July 1<sup>st</sup>, or will other renewal dates apply based on when a business entity license is obtained?** Business entities existing prior to April 1, 2018, will have until Sept. 28, 2018 to complete their first license renewal. The first license renewal for these entities will have an effective date of July 1, 2018. Subsequent renewals will need to be completed every two years, on or before July 1.  
  
Business entities licensed on or after April 1, 2018 will need to renew every two years after their original license date.
- 2. Will business entities always be allowed 90 days after the expiration date to renew?** No, for future renewals there will be a 90-day window PRIOR to the license expiration date in which which a business entity can complete its license renewal.
- 3. Will business entities be required to name a Designated Responsible Licensed Producer (DRLP)?** Yes, a DRLP must be named when completing a new business entity license application as well as the entity's biennial license renewal. The individual licensed producer named DRLP must be have an active status individual producer license for South Dakota.
- 4. Will the DRLP be required to have an appointment with the business entity?** No, but they do need to be affiliated.
- 5. Will the DRLP be required to have the same Lines of Authority (LOA) as the business entity?** Business entities in South Dakota do not get assigned LOAs. If the DRLP is soliciting or selling insurance, they will need the appropriate LOAs on their **individual** producer license.
- 6. Will license fees be prorated in accordance with the time that the license had been in place for those newer business entity licenses?** There are no business entity license renewal fees due to the State. A processing fee may be assessed by the vendor of choice, Compliance Express (Sircon) or NIPR, to complete the online license renewal.
- 7. Is this a one-time licensing effective 7/1/18 to get all of these agencies updated?** No, this will be an ongoing, biennial renewal process.
- 8. Will the new business entity licenses have an expiration date we can view?** Licensees will be able to view the expirations dates in Compliance Express (Sircon) or NIPR.
- 9. If a business entity license lapses is there a reinstatement process?** Yes, the reinstatement process is the same as that for individual producers whereby the entity will have 12 months in which to be reinstated. After 12 months, a new application must be completed.

10. **If a business entity license lapses, will these lapses be reported to carriers on the same file as the producers with licenses expiring for the month?**  
**Yes.**
11. **These lapse reports typically come to carriers around the 5<sup>th</sup> of the month to allow for reinstatements during the 5 day data transition period. Will the same process apply to business entity license expirations?** **Yes.**
12. **If a business entity license lapses, will the company appointment automatically be removed with the individual carriers, as it does with individual producers today?** **Yes. If the business entity license goes down so will the appointments that the business entity has. When a business entity reinstates they will need the companies to reappoint them.**