

# Division of Insurance

445 East Capitol Avenue | Pierre, SD 57501  
Phone: 605-773-3563 | Fax: 605-773-5369  
[insurance@state.sd.us](mailto:insurance@state.sd.us)



Merle Scheiber, Director

## In this Issue

Page 1

2008 Legislation  
Enacted

Bulletin 08-05

Rate & Form Filing  
Requirements

LTC Partnership

Page 2

Insured for  
Summer Fun

Page 3

Home Inventory  
Checklist

SD 24/7 Sobriety  
Program

Calendar of  
Events

SD Division of  
Insurance

445 E Capitol Ave  
Pierre, SD 57501

Tel:  
605-773-3563

Fax:  
605-773-5369  
[insurance@state.sd.us](mailto:insurance@state.sd.us)

## Legislation Enacted July 1, 2008

### Rate & Form Filing Requirements

HB 1213 is an act to provide uniform standard processing of accident and health carrier policy rate and form filings. This bill is an NAIC model that will provide uniformity among states for health filing procedures. The bill required the Division of Insurance to post all health filing requirements on the website. The Division of Insurance has posted the filing requirements at [http://www.state.sd.us/drr2/reg/insurance/rateformfilingrequirements\\_000.htm](http://www.state.sd.us/drr2/reg/insurance/rateformfilingrequirements_000.htm)

**For a Full List of newly enacted  
legislation you may visit the LRC  
website at  
<http://legis.state.sd.us/index.aspx>**

### Bulletin 08-05 Annuity Suitability

An annuity suitability law (SB 37) was enacted during the 2008 legislative session and was effective as of July 1, 2008. See SDCL 58-33A-13 through 58-33A-27. This legislation is based upon the NAIC annuity suitability model. The legislation requires insurance agents to make reasonable efforts to determine the suitability of applicants to purchase an annuity prior to making the sale. Many insurance agents are also registered securities agents and are currently subject to the Conduct Rules of the National Association of Securities Dealers, now called the Financial Industry Regulatory Authority, Inc. ("FINRA"). Bulletin 08-05 is a notice that the NASD (FINRA) Conduct Rules meet or exceed the requirements found in SB37. Therefore, if a person is in compliance with the FINRA rules regarding suitability for the purchase or exchange of an annuity, it will be considered to be in compliance with SB37.

The legislation also requires insurers to establish a system of oversight regarding suitability recommendations.

## Long-Term Care Partnership

The South Dakota Department of Social Services Division of Economic Assistance has just hired Kathi Skoglund to lead the Long Term Care Partnership Program efforts in South Dakota. Kathi will be working from the DSS office in Sioux Falls. Her work background includes experience in working with older adults, persons with disabilities, and their families; program implementation; and management. She has done training and educational sessions for many community groups related to programs and worked with the agency partners and contractors who serve this population. Kathi will be doing public educational sessions on LTCPP across the state and will have a schedule set for the fall sessions by August 8th.

# Properly Insured for Summer Fun

*The temperature is rising and the sun is shining, but before you put the boat on the river or get the ATVs out of storage, the South Dakota Division of Insurance urges you to review your insurance to make sure you are properly protected. Use these tips to review your coverage to make sure you and your families are insured for the increased risks that come with outdoor activities.*

**Boats** ~The personal property coverage of your homeowners policy might cover a small boat for \$1,500 or less in physical damage. However, coverage for your liability risk is limited. Insurers generally provide liability insurance on small sailboats (26 feet or less) and powerboats with small motors up to 50 hp normally. Ask your insurance agent or company if you should purchase a separate policy that covers physical damage to the boat and any liability that might result from its use.

Personal watercrafts, such as Jet Skis, may require a separate boat insurance policy. Again, you should talk with your insurance agent or company about your options.

Some other questions to ask your agent before putting your boat in the water:

- Does my policy have adequate liability limits?
- Are there special discounts for taking safety courses?
- Who does the policy cover to operate the boat or personal watercraft?
- Is the towing of skiers or tubes covered by my policy?

**Motorcycles and Scooters** ~ Motorcycles are not covered by your standard auto insurance policy. You must have a separate policy that covers liability and depending on the value of the motorcycle, comprehensive and collision coverage. If your motorcycle is financed, your lender will likely require you carry comprehensive and collision coverage.

When you're getting a quote, be sure to ask your insurance agent or company if they offer discounts to members of associations or for taking safety courses. Some insurance companies have separate requirements for helmets.

Scooters for yourself or your teenager also must have insurance. Talk with your insurance agent or company about who will be operating the scooter. Some insurance companies might offer a discount for safety courses.

**ATVs**~All-terrain vehicles (ATVs) are also not covered by standard automobile insurance policies; however, your homeowners policy might partially cover your liability on an ATV. Ask your insurance

agent or company if this coverage is enough to protect you and your family.

Other questions to ask your insurance agent or company:

· Are there age restrictions on who may operate the ATV?

· Does my policy cover friends or family who are operating the ATV?

· Is there a discount for taking an operator safety course or for riding with a helmet?

**Backyard Fun – Pools and Trampolines** ~ Pools and trampolines, while fun for the family, may be dangerous and will increase your insurance risk. It is important to check with your insurance agent or company to make sure you are properly insured for this risk. You might want to consider purchasing an umbrella policy to provide liability coverage above what your homeowners policy offers. Be sure to ask if your homeowners policy specifies any safety measures you are required to install, such as a certain height fence or locked gate.

Some companies might not insure your property if you have a trampoline, or they might have policy exclusions for any liability related to trampoline injuries. Be sure to understand exactly what damages and injuries your homeowners policy covers before you allow anyone on the trampoline.

An insurance company can deny coverage or cancel your policy if you do not follow the policy safety guidelines or do not inform the company when you install a pool or purchase a trampoline. Check with your insurance agent or company for rates and safety guidelines before making your purchase.

**More Information** ~ Nearly all summertime, outdoor activities come with increased risks. A call to your insurance agent is always a good first step in making sure you are protecting yourself and your family adequately.

If you have additional questions about your insurance needs for summer risks, contact the Division of Insurance at 605-773-3563 or by visiting [www.state.sd.us/insurance](http://www.state.sd.us/insurance).

South Dakota is now accepting EFT's. Please remember when making a filing this is the preferred choice of payment.

# South Dakota 24/7 Sobriety Program

The South Dakota 24/7 Sobriety Project began in February of 2005. The project was started by Attorney General Larry Long as way to keep multiple DUI offenders sober while on bond, post sentence, during treatment, and post treatment. To date, 7,000 people have been placed on the program with a sobriety test success rate of 99.3% on 1.2 million breath tests (participant show up on time and test negative for alcohol). Testing methods used in the project are: twice per day testing, transdermal electronic monitoring, drug patches, and UA tests. The success of the testing program has allowed judges to place all drug and alcohol abusers on the project and not just those with multiple DUI convictions. Other states are now starting 24/7 programs and national interests continues to grow. Auto insurance companies are now expressing interest how to use the South Dakota testing model to benefit the company and those people attempting to buy more affordable insurance.

## Guidelines for Insurance marketing and the 24/7 Program

1. Any solicitations shall affirmatively state that the Insurer or any program or discount offered by the Insurer pursuant to this program is not endorsed by the South Dakota Attorney General Larry Long, the South Dakota Attorney General's Office or the State of South Dakota.
2. Any Insurer offering this program can be listed as a participating Insurer.
3. Each participating Insurer must file and receive approval for a special rate program with the South Dakota Division of Insurance providing a discount for 24/7 Program participants.
4. No South Dakota Sheriff's Office, Jail Administrator, Clerk of Courts, Probation Office, Parole Office or agency associated with the South Dakota Unified Judicial System or the South Dakota Department of Corrections is required to post Insurer advertising.

## Home Inventory Checklist

Natural Disasters can strike anywhere at any time. That is why its's important to have a room-by-room inventory of your home. A home inventory - along with photos and proof of ownership - will make it easier to file an accurate, detailed insurance claim in case your home is damaged or destroyed in a disaster.

You may find a list that includes main portions of your home to use as a template on the Division of Insurance website at [www.state.sd.us/insurance](http://www.state.sd.us/insurance). However, do not forget other areas, such as closets, basement, attic, garage, porch/patio, work room, and shed.

Once you have completed your home inventory , check with your insurance company or agent to determine your available coverage and what , if any, additional coverage you may need. Remember to store this list in a safe place outside of your home.



### *Calendar of Events*

**August 15**  
*2nd Quarter  
Financial  
Statements due for  
Domestic  
Companies*

**August 19**  
*Rules Review  
Committee*

**September 23**  
*Rules Review  
Committee*

**SD Division of  
Insurance**

**445 E Capitol Ave  
Pierre, SD 57501**

**Tel:  
605-773-3563**

**Fax:  
605-773-5369  
[insurance@state.sd.us](mailto:insurance@state.sd.us)**