



## 2/21/22 Legislative Report

We are approaching the critical point in the legislative session referred to as cross-over (February 23<sup>rd</sup>). That is the day on which bills must pass their house of origin (pass Senate for Senate bills for example) or die. Our primary concern at this point is SB163 which passed out of Senate Health and will be voted upon by the Senate this week. We are opposed to this bill due to the high costs it will impose on insureds.

### I. Support Bills

1. **HB1059** This is a Division of Insurance bill (albeit not filed as one) that allows for the withdrawal of insurance agent applications for licensure when the applicant doesn't respond. This is good in that agents who simply fail to follow through on their application won't have a regulatory black mark on their record should they ever wish to enter the insurance business. This was unanimously passed by the Commerce & Energy Committee and is now headed to the Senate.

**Status:** Signed into law by the Governor  
[South Dakota House Bill 1059 \(sdlegislature.gov\)](https://sdlegislature.gov/bills-tracked/2022/house/hb1059)

2. **SB92** requires self-funded governmental pools to provide reports to the SD Department of Legislative Audit which includes a financial plan showing financial and coverage data and providing copies of contracts, organizational documents and premium and claims data. These plans are exempt from regulation under the insurance title.

**Status:** Senate Commerce & Energy Committee deferred to 41<sup>st</sup> day  
[South Dakota Senate Bill 92 \(sdlegislature.gov\)](https://sdlegislature.gov/bills-tracked/2022/senate/sb92)

### II. Neutral Bills: The following bills are ones where we are neutral, and are only watching at present:

1. **HB1029** This is a Division bill that simply changed the definition of telehealth. While this seemed innocuous, according to Wellmark this would have a large premium impact on health insurance. Based upon these concerns the committee sent this bill to the 41<sup>st</sup> day, effectively defeating the bill, at least for the time being.

**Status:** Deferred to 41<sup>st</sup> day by House Commerce and Energy  
[South Dakota House Bill 1029 \(sdlegislature.gov\)](https://sdlegislature.gov/bills-tracked/2022/house/hb1029)

2. **HB1078** authorizes the use of all terrain vehicles with electric motors to be licensed as a motorcycle for use on public roads. Golf carts are excluded.

**Status:** Passed House and Senate  
[South Dakota House Bill 1078 \(sdlegislature.gov\)](https://sdlegislature.gov/bills-tracked/2022/house/hb1078)

3. **HB1084** authorizes municipalities to adopt ordinances permitting the use of motorized foot scooters on any street or bike path.

**Status:** Passed House Referred to Senate Transportation  
[South Dakota House Bill 1084 \(sdlegislature.gov\)](#)

4. **HB1102** changes one of the criterion for being an exempt commercial lines policyholder. Specifically it changes the aggregate premium threshold from \$100,000 to \$50,000. However, the policyholder still must meet one of the other six criteria to qualify as an exempt commercial lines policyholder.

**Status:** Passed House Referred to Senate Commerce & Energy  
[South Dakota House Bill 1102 \(sdlegislature.gov\)](#)

5. **HB1117** changes the minimum nonforfeiture requirements for individual deferred annuities

**Status:** Passed House Referred to Senate Commerce & Energy  
[South Dakota House Bill 1117 \(sdlegislature.gov\)](#)

6. **HB1130** changes the requirements for the sale of travel insurance.

**Status:** Passed House Referred to Senate Commerce & Energy  
[South Dakota House Bill 1130 \(sdlegislature.gov\)](#)

7. **HB1167** expands the duty of municipalities for road repair and maintenance

**Status:** Deferred to 41<sup>st</sup> day by House Transportation  
[South Dakota House Bill 1167 \(sdlegislature.gov\)](#)

8. **HB1176** grants immunity from liability for certain camping activities

**Status:** Passed House Referred to Senate Judiciary  
[South Dakota House Bill 1176 \(sdlegislature.gov\)](#)

9. **HB1230** increases the penalty for a subsequent financial responsibility violation to a class one misdemeanor.

**Status:** House Judiciary deferred to 41<sup>st</sup> day  
[South Dakota House Bill 1230 \(sdlegislature.gov\)](#)

10. **HB1293** limits liability against child welfare agencies to \$1 million.

**Status:** Passed House Health & Human Services  
[South Dakota House Bill 1293 \(sdlegislature.gov\)](#)

11. **SB17** clarifies that health insurance plans and workers' compensation are not by virtue of the provisions of the chapter (34-20G the medical cannabis chapter) required to provide insurance coverage for medical cannabis. In other words, the intent is for the cannabis statutes not to create an insurance mandate.

**Status:** Passed Senate Referred to House Commerce & Energy  
[South Dakota Senate Bill 17 \(sdlegislature.gov\)](#)

12. **SB102** provides for the expansion of eligibility for Medicaid.

**Status:** Passed Senate  
[South Dakota Senate Bill 102 \(sdlegislature.gov\)](#)

13. **SB129** removes the exception for right of way for those exceeding the speed limit.

**Status:** Deferred to 41<sup>st</sup> day by Senate Transportation  
[South Dakota Senate Bill 129 \(sdlegislature.gov\)](#)

14. **SB171** would restrict insurers from requiring claim payment by credit card for dentistry coverage

**Status:** Passed Senate and House  
[South Dakota Senate Bill 171 \(sdlegislature.gov\)](#)

15. **SB186** would expand eligibility for Medicaid

**Status:** Pass motion failed on Senate floor  
[South Dakota Senate Bill 186 \(sdlegislature.gov\)](#)

16. **SB148** requires agents to meet a best interest of the consumer standard in sales of annuities.

**Status:** Passed Senate Referred to House Commerce & Energy  
[South Dakota Senate Bill 148 \(sdlegislature.gov\)](#)

17. **SB160** exempts certain offerings by warranty companies from insurance regulation which include auto hail repair and theft coverage.

**Status:** Passed Senate and House  
[South Dakota Senate Bill 160 \(sdlegislature.gov\)](#)

### III. Oppose Bills

1. **HB1008** allows an employee to bring a cause of action against an employer for illnesses caused by a vaccination if the employer required the vaccination. The bill has an emergency clause and would be effective upon enactment. This would have a detrimental effect on liability premiums and also create liability for insurance agencies that may require vaccinations.

**Status:** House Judiciary deferred to 41<sup>st</sup> day  
[South Dakota House Bill 1008 \(sdlegislature.gov\)](#)

2. **SB70** increases the time frame for reporting of workers' compensation injuries from 3 days to 30 days. There was strong concern among employers and the insurance industry that this would be detrimental for workers' compensation during committee testimony.

**Status:** Sent to 41<sup>st</sup> legislative day by Senate Commerce & Energy Committee  
[South Dakota Senate Bill 70 \(sdlegislature.gov\)](#)

3. **SB89** mandates individual and group health insurance coverage for hearing aids and other similar devices for those under age 19. Under current law hearing disorders are covered but hearing aids are specifically allowed to be excluded. This legislation would have the effect of increasing health insurance premiums.

**Status:** Withdrawn by Sponsor  
[South Dakota Senate Bill 89 \(sdlegislature.gov\)](#)

4. **SB163** Sets new standards for pharmacy benefit managers.

**Status:** Passed Senate Health & Human Services  
[South Dakota Senate Bill 163 \(sdlegislature.gov\)](#)

If you have any questions at all you can contact Randy Moses or Mike Chrysler.

#### **Randy Moses**

[rjpalaceh@hotmail.com](mailto:rjpalaceh@hotmail.com)  
(605) 222-6835

#### **Mike Chrysler**

[mchrysler@iiasd.org](mailto:mchrysler@iiasd.org)  
605-222-0649

#### **IIASD Office**

605-224-6234