

# State of South Dakota

EIGHTY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 2009

256Q0508

## HOUSE BILL NO. 1161

Introduced by: Representatives Curd, Cutler, Dreyer, Hoffman, Lust, Olson (Ryan), Rave,  
and Thompson and Senators Adelstein and Dempster

1 FOR AN ACT ENTITLED, An Act to increase the monetary amount required to prove financial  
2 responsibility for accidents arising out of the ownership, maintenance, or use of a vehicle.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 32-35-2 be amended to read as follows:

5 32-35-2. The term, proof of financial responsibility for the future, as used in this chapter  
6 means proof of ability to respond in damages for liability, on account of accidents occurring  
7 after the effective date of the proof, arising out of the ownership, maintenance, or use of a  
8 vehicle of a type subject to registration under the laws of this state, in the amount of ~~twenty-five~~  
9 fifty thousand dollars because of bodily injury to or death of one person in any one accident,  
10 and, subject to the limit for one person, in the amount of ~~fifty~~ one hundred thousand dollars  
11 because of bodily injury to or death of two or more persons in any one accident, and in the  
12 amount of ~~twenty-five~~ fifty thousand dollars because of injury to or destruction of property of  
13 others in any one accident. Wherever used in this chapter the terms, proof of financial  
14 responsibility, or, proof, are synonymous with the term, proof of financial responsibility for the  
15 future.



1 Section 2. That § 32-35-59 be amended to read as follows:

2 32-35-59. Judgments referred to in §§ 32-35-43 to 32-35-62, inclusive, shall, for the purpose  
3 of this chapter only, be deemed satisfied:

4 (1) If ~~twenty-five~~ fifty thousand dollars has been credited upon any judgment or  
5 judgments rendered in excess of that amount because of bodily injury to or death of  
6 one person as the result of any one accident; or

7 (2) If, subject to the limit of ~~twenty-five~~ fifty thousand dollars because of bodily injury  
8 to or death of one person, the sum of ~~fifty~~ one hundred thousand dollars has been  
9 credited upon any judgment or judgments rendered in excess of that amount because  
10 of bodily injury to or death of two or more persons as the result of any one accident;  
11 or

12 (3) If ~~twenty-five~~ fifty thousand dollars has been credited upon any judgment or  
13 judgments rendered in excess of that amount because of injury to or destruction of  
14 property of others as a result of any one accident.

15 However, payments made in settlements of any claims because of bodily injury, death, or  
16 property damage arising from the accident shall be credited to reduce the amounts provided for  
17 in this section.

18 Section 3. That § 32-35-70 be amended to read as follows:

19 32-35-70. An owner's policy of liability insurance referred to in § 32-35-68 shall insure the  
20 person named therein and any other person as insured, using any insured vehicle or vehicles  
21 with the express or implied permission of the named insured, against loss from the liability  
22 imposed by law for damages arising out of the ownership, maintenance, or use of the vehicle  
23 or vehicles within the United States of America or the Dominion of Canada, subject to limits  
24 exclusive of interests and costs, with respect to each insured vehicle, as follows: ~~twenty-five~~

1 fifty thousand dollars because of bodily injury to or death of one person in any one accident and,  
2 subject to the limit for one person, ~~fifty~~ one hundred thousand dollars because of bodily injury  
3 to or death of two or more persons in any one accident, and ~~twenty-five~~ fifty thousand dollars  
4 because of injury to or destruction of property of others in any one accident. If the policy  
5 complies with the filing and form requirements of Title 58 and has been approved by the  
6 Division of Insurance, the driver and owner has complied with this chapter. The policy may  
7 exclude liability coverage if the policyholder certifies in writing that the vehicle will not be  
8 operated during the policy period. The policy may exclude or limit coverage pursuant to § 58-  
9 11-9.3, or for a relative residing in the named insured's household. ~~Policies issued after January~~  
10 ~~1, 1987, and owners who have purchased such policies are in compliance with this chapter. This~~  
11 section applies to any policy effective on July 1, 2010. Date of compliance does not affect any  
12 pending litigation.

13 Section 4. That § 32-35-113 be amended to read as follows:

14 32-35-113. ~~Every~~ Any driver or owner of a motor vehicle shall at all times maintain in force  
15 one of the forms of financial responsibility on the motor vehicle by one of the following  
16 methods:

- 17 (1) Having in force on the motor vehicle an owner's policy of liability insurance as  
18 provided in § 32-35-70;
- 19 (2) Having in force a bond as provided in § 32-35-83;
- 20 (3) Having a certificate of deposit of money or securities as provided in § 32-35-87, but  
21 in the amount of ~~fifty~~ one hundred thousand dollars; or
- 22 (4) Having a certificate of self-insurance, as provided in §§ 32-35-90 and 32-35-91,  
23 supplemented by an agreement by the self-insurer that, with respect to accidents  
24 occurring while the certificate is in force, ~~he~~ the self-insurer will pay the same

1 amounts that an insurer would have been obligated to pay under an owner's motor  
2 vehicle liability policy if it had issued such a policy to ~~said~~ the self-insurer.

3 Failure to maintain financial responsibility is a Class 2 misdemeanor.