

# State of South Dakota

EIGHTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 2008

400P0687

## HOUSE BILL NO. 1318

Introduced by: The Committee on Commerce at the request of the Office of the Governor

1 FOR AN ACT ENTITLED, An Act to provide options for those who elect continuation of  
2 health insurance.

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

4 Section 1. That § 58-18-7.18 be amended to read as follows:

5 58-18-7.18. Continuation coverage shall be the same coverage as is available to any  
6 similarly situated beneficiary under the plan with respect to whom a qualifying event has not  
7 occurred. If coverage is modified under the plan for any group of similarly situated beneficiaries  
8 who are not under continuation, such coverage shall also be modified for those continuing  
9 coverage in the same manner as for all individuals who are qualified beneficiaries under the plan  
10 pursuant to the continuation requirements of this chapter in connection with such group.

11 Any insurer providing continuation coverage pursuant to § 58-18-7.5 or pursuant to any  
12 federal requirement applicable to employer group plans shall offer to all beneficiaries who are  
13 eligible to elect to continue coverage the option to decrease benefits of the continued coverage.  
14 The options shall include, at a minimum, those coverage options available to beneficiaries who  
15 initially enroll into the coverage if the options decrease coverage or a carrier may offer a



1 standardized plan to all those eligible for continuation that contains similar benefits to the  
2 beneficiaries prior coverage but at a higher deductible or other reduced benefit features.

3 Section 2. That § 58-18C-5 be amended to read as follows:

4 58-18C-5. Any employee may exercise the right to continuation within thirty days of receipt  
5 of due notice of termination of coverage of the group and upon payment of premiums from the  
6 date of termination.

7 Any insurer providing continuation coverage pursuant to § 58-18C-1 shall offer to all  
8 beneficiaries who are eligible to elect to continue coverage the option to decrease benefits of the  
9 continued coverage. The options shall include, at a minimum, those coverage options that would  
10 have been otherwise available to employees or dependents who initially enrolled into the  
11 coverage if the options decrease coverage or a carrier may offer a standardized plan to all those  
12 eligible for continuation that contains similar benefits to the beneficiaries prior coverage but at  
13 a higher deductible or other reduced benefit features.

14 Section 3. Nothing in this Act may be construed to limit an insurer's ability to use the  
15 experience from those persons who have continued coverage pursuant to this Act for rating  
16 purposes for the employer group from which coverage was continued. An insurer is not required  
17 to offer an option that is not available in the market for the policy form or forms from which  
18 continuation is being offered. This Act applies to any person electing continuation coverage on  
19 or after July 1, 2008.