

AN ACT

ENTITLED, An Act to provide options for those who elect continuation of health insurance.

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

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

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

Any insurer providing continuation coverage pursuant to § 58-18-7.5 or pursuant to any federal requirement applicable to employer group plans shall offer to all beneficiaries who are eligible to elect to continue coverage the option to decrease benefits of the continued coverage. The options shall include, at a minimum, those coverage options available to beneficiaries who initially enroll into the coverage if the options decrease coverage or a carrier may offer a standardized plan to all those eligible for continuation that contains similar benefits to the beneficiaries prior coverage but at a higher deductible or other reduced benefit features.

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

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

Any insurer providing continuation coverage pursuant to § 58-18C-1 shall offer to all beneficiaries who are eligible to elect to continue coverage the option to decrease benefits of the continued coverage. The options shall include, at a minimum, those coverage options that would

have been otherwise available to employees or dependents who initially enrolled into the coverage if the options decrease coverage or a carrier may offer a standardized plan to all those eligible for continuation that contains similar benefits to the beneficiaries prior coverage but at a higher deductible or other reduced benefit features.

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

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1318

Chief Clerk

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1318

File No. _____

Chapter No. _____

Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock ____ M.

Secretary of State

By _____
Asst. Secretary of State