

State of South Dakota

EIGHTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2009

400Q0216

SENATE BILL NO. 19

Introduced by: The Committee on Health and Human Services at the request of the
Department of Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to revise the grounds for which continuation or conversion
2 is not required for certain group health policies.

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

4 Section 1. That § 58-18-7.11 be amended to read as follows:

5 58-18-7.11. No insurer may be required to offer or renew a continuation or conversion
6 policy covering any person if:

7 (1) The person is covered for similar benefits by another individual or group policy;

8 (2) Similar benefits are provided for or available to such person, by reason of any state
9 or federal law, except any person who becomes entitled to Medicare on or before
10 continuation is elected or who is covered under another group plan on or before
11 continuation is elected;

12 (3) The benefits under sources of the kind referred to in subdivision (1) for such person
13 or benefits provided or available under sources of the kind referred to in subdivision
14 (2) for such person, together with the continued or converted policy's benefits, would
15 result in overinsurance according to the insurer's standards for overinsurance;



- 1 (4) There has been fraud or material misrepresentation in applying for any benefits under
2 continued or converted policy;
- 3 (5) The person failed to pay any required contribution;
- 4 (6) ~~Cancellation~~ There has been cancellation of all similar insurance policies in the entire
5 state;
- 6 (7) For cause on the same basis, the plan could terminate the coverage of a similarly
7 situated active employee; or
- 8 (8) ~~Termination of~~ The person was terminated from employment for gross misconduct;
9 or
- 10 (9) The group health insurance policy is terminated by an insurer as a result of the group
11 not meeting an insurer's participation or eligibility requirements. A person covered
12 under a group health insurance policy that is terminated for not meeting the insurer's
13 participation or eligibility requirements is not required to meet the twelve-month
14 requirement for prior creditable coverage pursuant to § 58-17-85 in order to become
15 eligible for the risk pool.