



## 2020 South Dakota Legislature

# Senate Bill 181

SENATE COMMERCE AND ENERGY ENGROSSED

Introduced by: **Senator Blare**

1 **An Act to revise provisions regarding health benefit plans.**

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

3 **Section 1.** That § 58-17-66 be AMENDED:

4 **58-17-66. Definitions for 58-17-66 to 58-17-87.**

5 Terms used in §§ 58-17-66 to 58-17-87, inclusive, mean:

- 6 (1) "Actuarial certification," any written statement by a member of the American  
7 Academy of Actuaries or other person approved by the director that a carrier is in  
8 compliance with the provisions of §§ 58-17-66 to 58-17-87, inclusive, based upon  
9 the person's examination and a review of the appropriate records and the actuarial  
10 assumptions and methods used by the carrier in establishing premium rates for  
11 applicable individual health benefit plans;
- 12 (2) "Affiliate" or "affiliated," any person who, directly or indirectly, through one or more  
13 intermediaries, controls or is controlled by, or is under common control with, any  
14 other specified person;
- 15 (3) "Base premium rate," the lowest premium rate charged or which could have been  
16 charged for each class of business for a rating period under a rating system for that  
17 class of business, by the carrier to individuals with similar case characteristics for  
18 health benefit plans with the same or similar coverage;
- 19 (4) "Carrier," any person that provides individual health insurance in the state, includes  
20 an insurance company, a prepaid hospital or medical service plan, a health  
21 maintenance organization, a multiple employer welfare arrangement, and any other  
22 entity providing a plan of health insurance or health benefits subject to state  
23 insurance regulation;
- 24 (5) "Church plan," a church plan as defined in section 3(33) of the Employee Retirement  
25 Income Security Act of 1974 as adopted by the director pursuant to chapter 1-26;

- 1 (6) "Class of business," all or a separate grouping of persons established pursuant to  
2 §§ 58-17-66 to 58-17-87, inclusive;
- 3 (7) "Dependent," any spouse, an unmarried child under the age of nineteen years, an  
4 unmarried child who is a full-time student under the age of twenty-three and who  
5 is financially dependent upon the parent, and any other person who qualifies as a  
6 dependent under this title;
- 7 (8) "Director," the director of the Division of Insurance;
- 8 (9) "Health benefit plan," any hospital or medical policy or certificate, hospital or  
9 medical service plan, or health maintenance organization subscriber contract of  
10 more than six-month duration. The term does not include, unless otherwise  
11 provided, specified disease, hospital indemnity, fixed indemnity, accident-only,  
12 credit, dental, vision, medicare supplement, long-term care, short term major  
13 medical plan, or disability income insurance; coverage issued as a supplement to  
14 liability insurance, worker's compensation or similar insurance; or automobile  
15 medical payment insurance;
- 16 (10) "Index rate," the arithmetic average of the applicable base premium rate and the  
17 corresponding highest premium rate for each class of business for persons with  
18 similar case characteristics;
- 19 (11) "New business premium rate," the premium rate charged or offered by an individual  
20 carrier to persons with similar case characteristics for newly issued health benefit  
21 plans with the same or similar coverage for each class of business for a rating  
22 period;
- 23 (12) "Rating characteristics," the demographic characteristics of individuals which are  
24 considered by the carrier in the determination of premium rates for the individuals;  
25 ~~and~~
- 26 (13) "Rating period," the calendar period for which premium rates established by a  
27 carrier are assumed to be in effect; and
- 28 (14) "Short term major medical plan," a major medical policy that is issued for a limited  
29 duration of less than twelve months and renewable at the option of the insurer.