

AN ACT

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

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

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

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

- (1) The person is covered for similar benefits by another individual or group policy;
- (2) Similar benefits are provided for or available to such person, by reason of any state or federal law, except any person who becomes entitled to Medicare on or before continuation is elected or who is covered under another group plan on or before continuation is elected;
- (3) The benefits under sources of the kind referred to in subdivision (1) for such person or benefits provided or available under sources of the kind referred to in subdivision (2) for such person, together with the continued or converted policy's benefits, would result in overinsurance according to the insurer's standards for overinsurance;
- (4) There has been fraud or material misrepresentation in applying for any benefits under continued or converted policy;
- (5) The person failed to pay any required contribution;
- (6) There has been cancellation of all similar insurance policies in the entire state;
- (7) For cause on the same basis, the plan could terminate the coverage of a similarly situated active employee; or
- (8) The person was terminated from employment for gross misconduct; or
- (9) The group health insurance policy is terminated by an insurer as a result of the group not

meeting an insurer's participation or eligibility requirements. A person covered under a group health insurance policy that is terminated for not meeting the insurer's participation or eligibility requirements is not required to meet the twelve-month requirement for prior creditable coverage pursuant to § 58-17-85 in order to become eligible for the risk pool.

An Act to revise the grounds for which continuation or conversion is not required for certain group health policies.

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I certify that the attached Act  
originated in the

SENATE as Bill No. 19

\_\_\_\_\_  
Secretary of the Senate  
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\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 19  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor  
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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