

# State of South Dakota

SEVENTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 1997

400A0256

## SENATE BILL NO. 74

Introduced by: The Committee on Commerce at the request of the Department of Commerce  
and Regulation

1 FOR AN ACT ENTITLED, An Act to revise the requirements for disclosure for certain health  
2 insurance coverages and to further limit the application of waiting periods for medicare  
3 supplement insurance.

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

5 Section 1. That § 58-17A-7 be amended to read as follows:

6 58-17A-7. The director may promulgate rules pursuant to chapter 1-26 for captions or notice  
7 requirements determined to be in the public interest and designed to inform prospective insureds  
8 that particular insurance coverages are not medicare supplement coverages, for all health  
9 insurance policies sold to persons eligible for medicare other than medicare supplement policies,  
10 disability income policies, ~~single premium, nonrenewable policies, or other policies defined in~~  
11 ~~subdivision 58-17A-1(5).~~

12 The director may promulgate rules pursuant to chapter 1-26 to govern the full and fair  
13 disclosure of information, marketing and conduct of agents in connection with the replacement  
14 of health insurance policies, subscriber contracts and certificates by persons eligible for medicare.

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1       Section 2. That § 58-17A-3.1 be amended to read as follows:

2       58-17A-3.1. A policy or certificate of insurance providing medicare supplement benefits  
3       which is sold to a consumer to replace an existing, in-force medicare supplement policy may not  
4       contain any provision limiting payment of benefits due to preexisting conditions of the insured  
5       except, if there is any time period remaining relating to the exclusion of coverage for preexisting  
6       conditions as specified in the underlying policy, that remaining waiting period for coverage of  
7       preexisting conditions shall apply to the new policy unless the policy otherwise provides a lesser  
8       waiting period. The waiver applies to all time periods applicable to preexisting conditions,  
9       waiting periods, elimination periods, and probationary periods in the new medicare supplement.