



2020 South Dakota Legislature
Senate Bill 181
ENROLLED

AN ACT

ENTITLED An Act to revise provisions regarding health benefit plans.

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

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

58-17-66. Definitions for 58-17-66 through 58-17-87.

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

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

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

An Act to revise provisions regarding health benefit plans.

I certify that the attached Act originated in the:

Received at this Executive Office this ____ day of _____,

Senate as Bill No. 181

2020 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby approved this _____ day of _____, A.D., 2020

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Speaker of the House

Attest:

Filed _____, 2020
at _____ o'clock __ M.

Chief Clerk

Secretary of State

Senate Bill No. 181

By _____

File No. _____

Asst. Secretary of State

Chapter No. _____