**20:06:13:17.09.  Suspension requested by policyholder.** Each Medicare supplement policy shall provide that benefits and premiums under the policy shall be suspended for a period at the request of the policyholder if the policyholder is entitled to benefits under § 226(b) of the Social Security Act and is covered under a group health plan as defined in § 1862(b)(1)(a)(v) of the Social Security Act. The period of suspension shall be for a period as prescribed by the director. The director shall consider any pertinent federal regulations in determining the time period. If suspension occurs and then the policyholder or certificateholder loses coverage under the group health plan, the policy shall be automatically reinstituted, effective as of the date of loss of coverage. However, the policyholder must, in order to have the policy automatically reinstituted, provide to the issuer of the suspended coverage notice of loss of coverage within 90 days after the date of such loss of coverage and pay the premium attributable to the period, effective as of the date of termination of enrollment in the group health plan. If the suspended policy provided coverage for outpatient prescription drugs, reinstitution of the policy or certificate for Medicare Part D enrollees shall be without coverage for outpatient prescription drugs and shall otherwise provide substantially equivalent coverage to the coverage in effect before the date of suspension.

Reinstitution of Medicare supplement coverage must comply with the following requirements:

(1)  The coverage may not provide for any waiting period for treatment of preexisting conditions;

(2)  The coverage must be substantially equivalent to coverage in effect before the date of suspension. If the suspended policy or certificate provided coverage for outpatient prescription drugs, reinstitution of the policy or certificate for Medicare Part D enrollees shall be without coverage for outpatient prescription drugs and shall otherwise provide substantially equivalent coverage to the coverage in effect before the date of suspension; and

(3)  The coverage must provide for classification of premiums on terms at least as favorable to the policyholder or certificateholder as the premium classification terms that would have applied to the policyholder or certificateholder had the coverage not been suspended.

This section applies to 1990 standardized Medicare supplement benefit plans as well as 2010 standardized Medicare supplement benefit plans.

**Source:** 27 SDR 53, effective December 4, 2000; 28 SDR 157, effective May 19, 2002; 31 SDR 214, effective July 6, 2005; 35 SDR 183, effective February 2, 2009.

**General Authority:** SDCL 58-17A-2(18).

**Law Implemented:** SDCL 58-17A-2(18).