**20:06:13:17.11.  General standards for standardized Medicare supplement benefit plan -- Issued for delivery after May 31, 2010.** The following standards apply to Medicare supplement policies and certificates issued for delivery after May 31, 2010, and are in addition to all other requirements of this chapter:

(1)  A Medicare supplement policy or certificate may not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents;

(2)  A Medicare supplement policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible, copayment, or coinsurance amounts. Premiums may be modified to correspond with such changes;

(3)  No Medicare supplement policy or certificate may provide for termination of coverage of a spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than the nonpayment of premium;

(4)  Each Medicare supplement policy shall be guaranteed renewable:

(a)  The issuer may not cancel or nonrenew the policy solely on the ground of health status of the individual;

(b)  The issuer may not cancel or nonrenew the policy for any reason other than nonpayment of premium or material misrepresentation;

(c)  If the Medicare supplement policy is terminated by the group policyholder and is not replaced as provided in subsection e, the issuer shall offer certificateholders an individual Medicare supplement policy which at the option of the certificateholder:

(i)   Provides for continuation of the benefits contained in the group policy; or

(ii)  Provides for benefits that otherwise meet the requirements of this subsection;

(d)  If an individual is a certificateholder in a group Medicare supplement policy and the individual terminates membership in the group, the issuer shall:

(i)   Offer the certificateholder the conversion opportunity described in § 20:06:13:56; or

(ii)  At the option of the group policyholder, offer the certificateholder continuation of coverage under the group policy;

(e)  If a group Medicare supplement policy is replaced by another group Medicare supplement policy purchased by the same policyholder, the issuer of the replacement policy shall offer coverage to all persons covered under the old group policy on its date of termination. Coverage under the new policy does not result in any exclusion for preexisting conditions that would have been covered under the group policy being replaced;

(5)  Termination of a Medicare supplement policy or certificate shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

**Source:** 35 SDR 183, effective February 2, 2009.

**General Authority:** SDCL 58-17A-2.

**Law Implemented:** SDCL 58-17A-2.