**20:06:13:56.  Continuation and conversion rights.** Group members of a group Medicare supplement insurance policy may continue or convert their rights under the following conditions:

 (1)  If a group Medicare supplement insurance policy is terminated by the group policyholder and not replaced as provided in subdivision (3) of this section, the issuer shall offer certificateholders an individual Medicare supplement policy. The issuer shall offer certificateholders at least the following choices:

 (a)  Continuation of benefits contained in the group policy; or

 (b)  An individual policy which provides for benefits which otherwise meets the requirements of this section;

 (2)  If membership in a group is terminated, the issuer shall:

 (a)  Offer the certificateholder the conversion opportunities described in subdivision (1) of this section; or

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

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

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

 **Source:** 16 SDR 174, effective May 2, 1990; 18 SDR 225, effective July 17, 1992; 35 SDR 183, effective February 2, 2009; 36 SDR 209, effective July 1, 2010.

 **General Authority:** SDCL 58-4-1, 58-17A-2.

 **Law Implemented:** SDCL 58-17A-2, 58-17A-3.1.

 **Cross-Reference:** Minimum benefit standards, § 20:06:13:17.