**20:06:21:57.  Nonforfeiture benefits.**

(1)  Except as provided in subdivision 20:06:21:57(2), a long-term care insurance policy may not be delivered or issued for delivery in this state unless the policyholder or certificate holder has been offered the option of purchasing a policy or certificate including a nonforfeiture benefit. The offer of a nonforfeiture benefit may be in the form of a rider that is attached to the policy. In the event the policyholder or certificateholder declines the nonforfeiture benefit, the insurer shall provide a contingent benefit upon lapse that shall be available for a specified period of time following a substantial increase in premium rates.

(2)  When a group long-term care insurance policy is issued, the offer required in subdivision 20:06:21:57(1) shall be made to the group policyholder. However, if the policy is issued as group long-term care insurance as defined in SDCL 58-17B-2(4)(d), other than to a continuing care retirement community or other similar entity, the offering shall be made to each proposed certificateholder.

**Source:** 28 SDR 157, effective May 19, 2002; 30 SDR 39, effective September 28, 2003.

**General Authority:** SDCL 58-17B-4.

**Law Implemented:** SDCL 58-17B-4.