

# State of South Dakota

EIGHTY-EIGHTH SESSION  
LEGISLATIVE ASSEMBLY, 2013

627U0370

## SENATE JUDICIARY ENGROSSED NO. **HB 1074** 02/07/2013

Introduced by: Representatives Rounds, Bartling, Cronin, Gosch, Johns, Solum, Tulson, and Wink and Senators Maher, Holien, Kirkeby, Lederman, Rhoden, and Tieszen

1 FOR AN ACT ENTITLED, An Act to define the insurer's responsibilities concerning health  
2 insurance policies in relation to the eligibility of minor dependents for coverage.

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

4 Section 1. That chapter 58-17 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 For any insurer that chooses to automatically cover any newborn or newly adopted child as  
7 a dependent without requiring the notice in § 58-17-30.4 and does not collect or track the  
8 demographic information on the dependent child, the insurer shall take reasonable steps to  
9 provide adequate notice of the insured's responsibility to advise the insurer when there is no  
10 longer any child eligible for dependent coverage. An insurer is considered to have taken  
11 reasonable steps if prominent disclosure of this responsibility is included in the policy or  
12 certificate, subscriber contract, evidence of coverage, or employee handbook if such are  
13 provided to all insureds and also provided to prospective insureds at the time of application for  
14 coverage. Upon receipt of a notice that a dependent is no longer eligible, the insurer shall adjust



- 1 the coverage accordingly and, if applicable, return to the insured any unearned premium. This
- 2 section applies to any policy or certificate subject to the provisions of chapters 58-17 and 58-18.