

AN ACT

ENTITLED, An Act to limit the application of preexisting waiting periods for health insurance policies.

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

Section 1. That § 58-17-16 be amended to read as follows:

58-17-16. A policy which the insured has the right to continue in force subject to its terms by the timely payment of premium until at least age fifty or, in the case of a policy issued after age forty-four, for at least five years from its date of issue, may contain in lieu of the provision in § 58-17-15 the following provision, from which the clause in parentheses may be omitted at the insurer's option, under the caption "Incontestable."

"After this policy has been in force for a period of two years during the lifetime of the insured (excluding any period during which the insured is disabled), it shall become incontestable as to the statements contained in the application."

Section 2. That chapter 58-17 be amended by adding thereto a NEW SECTION to read as follows:

Any accident and sickness policy or certificate subject to the provisions of this chapter, other than a health benefit plan as defined in § 58-17-66(8), shall comply with the following provisions:

- (1) No policy or certificate may deny, exclude, or limit benefits for a covered individual for claims incurred more than twelve months following the effective date of the person's coverage due to a preexisting condition;
- (2) No policy or certificate may define a preexisting condition more restrictively than:
  - (a) A condition that would have caused an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment during the twelve months immediately preceding the effective date of coverage;
  - (b) A condition for which medical advice, diagnosis, care, or treatment was

recommended or received during the twelve months immediately preceding the effective date of coverage; or

- (c) A pregnancy existing on the effective date of coverage.

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I certify that the attached Act
originated in the
SENATE as Bill No. 207

Secretary of the Senate

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

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Received at this Executive Office
this \_\_\_ day of \_\_\_\_\_,
19\_\_ at \_\_\_ M.

By \_\_\_\_\_
for the Governor

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The attached Act is hereby
approved this \_\_\_\_\_ day of
\_\_\_\_\_, A.D., 19\_\_

Governor

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed \_\_\_\_\_, 19\_\_
at \_\_\_\_\_ o'clock \_\_ M.

Secretary of State

By \_\_\_\_\_
Asst. Secretary of State

Senate Bill No. 207
File No. \_\_\_\_\_
Chapter No. \_\_\_\_\_