

AN ACT

ENTITLED, An Act to exempt employer plans with one employee from small business group health insurance regulations.

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

Section 1. That § 58-18B-2 be amended to read as follows:

58-18B-2. This chapter is applicable to any health benefit plan which provides coverage to two or more employees of a small employer and policies which meet the following criteria:

- (1) Any portion of the premium or benefits is paid by or on behalf of the small employer; or
- (2) The health benefit plan is treated by the employer or any of the eligible employees or dependents as part of a plan or program for the purposes of section 125 or section 106 of the United States Internal Revenue Code as of January 1, 1995.

This chapter does not apply to any employer plan with only one employee. Any employer plan with only one employee, even if the employer pays a portion or all of the premium, may be sold as individual policies subject to the provisions of chapter 58-17. If a plan covering one employee is sold as an individual plan and new employees are added which brings the number of employees to at least two but not more than fifty, then the individual carrier may nonrenew the coverage or accept those new employees and bring the plan into compliance with the applicable provisions of chapters 58-18 and 58-18B.

An Act to exempt employer plans with one employee from small business group health insurance regulations.

=====

I certify that the attached Act originated in the

HOUSE as Bill No. 1126

Chief Clerk

=====

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1126
File No. _____
Chapter No. _____

=====

Received at this Executive Office this ____ day of _____ ,

19__ at ____ M.

By _____
for the Governor

=====

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