

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

906B0552

SENATE BILL NO. 109

Introduced by: Senators Halverson, Dennert, Flowers, Paisley, and Shoener and
Representatives Cutler, Cerny, Duniphan, Gabriel, Hagg, Haley, Hunt, and Roe

1 FOR AN ACT ENTITLED, An Act to revise the rule-making authority of the director of
2 insurance concerning stop loss or excess insurance.

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

4 Section 1. That § 58-18B-35 be amended to read as follows:

5 58-18B-35. The director shall promulgate rules pursuant to chapter 1-26 regulating the
6 ~~issuance of stop loss or excess insurance covering health claims of employees. The director shall~~
7 ~~also promulgate rules regulating the solicitation and sale of multiple employer trusts and multiple~~
8 employer welfare arrangements. In considering the promulgation of rules pursuant to this
9 section, the director shall take into consideration, the status of the small employer market, the
10 impact such rules would have on the availability of health insurance and the impact such rules
11 may have on the fair marketing of health insurance in this state. Rules promulgated pursuant to
12 this section may not directly or indirectly affect stop loss or excess insurance covering health
13 claims of employees arising from self-funded employee health programs. The rules may cover:

- 14 (1) Suitability and eligibility of insureds for coverage;
15 (2) Method of premium payments;

- 1 (3) ~~Minimum stop loss amounts including specific and aggregate attachment points;~~
- 2 (4) Contractual obligations and policy provisions of carriers;
- 3 (5) Form filing requirements, including those for approval and disapproval;
- 4 (6) Reporting and recordkeeping requirements;
- 5 (7) Definition of terms; and
- 6 (8) Eligibility of insurers.