

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

493B0711

SENATE BILL NO. 148

Introduced by: Senator Munson (David) and Representative Hunt

1 FOR AN ACT ENTITLED, An Act to revise certain provisions relating to employee group
2 insurance.

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

4 Section 1. That § 58-16-4 be amended to read as follows:

5 58-16-4. The amounts of insurance under a policy issued under § 58-16-2 ~~must~~ shall be based
6 upon some plan precluding individual selection either by the employees or by the employer or
7 trustees. Supplemental life coverage may be purchased at the employee's option subject to the
8 underwriting criteria of the insurer.

9 Section 2. That § 58-16-5 be repealed.

10 ~~— 58-16-5. A policy issued under § 58-16-2 must cover at least ten employees at date of issue.~~

11 Section 3. That § 58-16-6 be amended to read as follows:

12 58-16-6. The premium for a policy issued under § 58-16-2 shall be paid by the policyholder,
13 either wholly from the employer's fund or funds contributed by him, or partly from such funds
14 and partly from funds contributed by the insured employees. No policy may be issued on which
15 the entire premium is to be derived from funds contributed by the insured employees. A policy
16 on which part of the premium is to be derived from funds contributed by the insured employees

1 may be placed in force only if at least seventy-five per cent of the then eligible employees,
2 excluding any as to whom evidence of individual insurability is not satisfactory to the insurer,
3 elect to make the required contributions. A policy on which no part of the premium is to be
4 derived from funds contributed by the insured employees must insure all eligible employees, or
5 all except any as to whom evidence of individual insurability is not satisfactory to the insurer. For
6 supplemental life coverage, the employee may be required to pay the entire premium.