

State of South Dakota

EIGHTIETH
LEGISLATIVE ASSEMBLY, 2005

400L0244

SENATE BILL NO. 51

Introduced by: The Committee on Commerce at the request of the Department of Revenue
and Regulation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding medicare supplement
2 policies.

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

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

5 58-17A-1. Terms used in this chapter mean:

- 6 (1) "Applicant," in the case of an individual medicare supplement policy or subscriber
7 contract, the person who seeks to contract for insurance benefits; and in the case of
8 a group medicare supplement policy or subscriber contract, the proposed certificate
9 holder;
- 10 (2) "Certificate," any certificate issued under a group medicare supplement policy, which
11 policy has been delivered or issued for delivery in this state;
- 12 (3) "Certificate form," the form on which the certificate is delivered or issued for
13 delivery by the issuer;
- 14 (4) "Issuer," includes insurance companies, fraternal benefit societies, health care service
15 plans, health maintenance organizations, and any other entity delivering or issuing



- 1 for delivery in this state medicare supplement policies or certificates;
- 2 (5) "Medicare," the Health Insurance for the Aged Act, Title XVIII of the Social Security
3 Amendments of 1965 and as amended through December 31, 1991;
- 4 (6) "Medicare supplement policy," a group or individual policy of health insurance or a
5 subscriber contract of nonprofit hospital, medical and surgical service plans, or health
6 maintenance organizations, which is advertised, marketed, or designed primarily as
7 a supplement to reimbursements under medicare for the hospital, medical or surgical
8 expenses of persons eligible for medicare. The term does not include insurance
9 policies or health care benefit plans, including group conversion policies, provided
10 to medicare eligible persons which policies are not marketed or held to be medicare
11 supplement policies or benefit plans, nor does it apply to a policy or contract of one
12 or more employers or labor organizations, or of the trustees of a fund established by
13 one or more employers or labor organizations, or combination thereof, for employees
14 or former employees or a combination thereof, or for members or former members,
15 or a combination thereof, of the labor organizations. The term does not include a
16 policy issued pursuant to a contract under Section 1876 of the federal Social Security
17 Act, 42 U.S.C. ~~Section~~ 1395, et seq., or a policy issued under a demonstration project
18 specified in 42 U.S.C. § 1395ss(g)(i). The term does not include any medicare
19 advantage plan established under Medicare Part C, any outpatient prescription drug
20 plan established under Medicare Part D, or any health care prepayment plan that
21 provides benefits pursuant to an agreement under § 1833(a)(1)(A) of the Social
22 Security Act;
- 23 (7) "Policy form," the form on which the policy is delivered or issued for delivery by the
24 issuer.

1 Section 2. That § 58-17A-10 be amended to read as follows:

2 58-17A-10. Every issuer providing group medicare supplement insurance benefits to a
3 resident of this state shall file a copy of the master policy and any certificate used in this state
4 in accordance with the filing requirements and procedures applicable to group medicare
5 supplement policies issued in this state.

6 Every issuer providing medicare supplement policies or certificates in this state shall
7 annually file its rates, rating schedule, and supporting documentation demonstrating that it is
8 in compliance with the applicable loss ratio standards of this state. All filings of rates and rating
9 schedules shall demonstrate that the actual and expected losses in relation to premiums comply
10 with the requirements of this chapter.

11 An issuer shall file any riders or amendments to policy or certificate forms to delete
12 outpatient prescription drug benefits as required by the Medicare Prescription Drug,
13 Improvement, and Modernization Act of 2003 for any policy or certificate issued in this state.