

20:06:10:08.03. Short term major medical advertising disclosure. No advertisement or solicitation of short term major medical insurance may be used in this state unless the following disclosure statement is prominently displayed in that advertisement or solicitation:

"This short term major medical policy is ~~nonrenewable~~ [nonrenewable/renewable]."

No short term major medical policy may be sold in this state unless the following separate disclosure in bold 14 point type is signed and acknowledged by the applicant:

"This short term major medical policy is ~~nonrenewable~~ [nonrenewable/renewable]. This policy provides coverage for [number of days or months that is less than 12 months]. A renewal or extension of this policy or additional policies must have a combined duration of no more than 36 months in total. This policy has exclusions such as preexisting conditions and does not provide all coverage ~~as provided for~~ required by the Patient Protection and Affordable Care Act."

If the application is taken by an agent, the agent is responsible for forwarding this signed disclosure to the insurer. For direct marketed solicitations, the insurer must provide this disclosure with the application. No insurer may issue a short term major medical policy unless a signed disclosure ~~complaint with~~, as required by this section, is received. If the transaction involves a replacement, the agent or, if forwarded by the agent to the insurer, the insurer ~~must keep documentation~~ shall, in accordance with SDCL 58-1-26 ~~that subdivision~~ keep documentation indicating compliance with § 20:06:10:08.02 ~~has been complied with~~.

Source: 33 SDR 107, effective December 26, 2006; 38 SDR 116, effective January 10, 2012; 40 SDR 102, effective December 3, 2013.

General Authority: SDCL 58-33A-7(14).

Law Implemented: SDCL ~~58-33A-2~~, 58-33A-8, 58-33A-10.

20:06:39:34.01. Disclosure requirements (effective January 1, 2014). Any policy or certificate of specified disease, short-term hospital-surgical care having a duration of six months or less ~~duration~~ but not including short-term major medical, hospital confinement indemnity, limited benefit health insurance, or other policy or certificate that provides less ~~benefits~~ than essential health benefits, must clearly and prominently disclose that the policy is a limited benefit health insurance plan. The following is an example of a disclosure for limited benefit coverages that is in compliance, provided it is prominent and otherwise meets the requirements of this section:

This limited health benefits plan does not provide comprehensive medical coverage. It is a basic or limited benefits policy and is not intended to cover all medical expenses. This plan is not designed to cover the costs of a serious or chronic illness.

For short-term major medical policies clear and prominent disclosure of the preexisting condition limitation and the short-term duration of the product must be made. The following notice is an example of a short-term major medical disclosure that is in compliance provided it is prominent and otherwise meets the requirements of this section:

This policy is a short-term medical insurance [policy/certificate] ~~which~~ that provides coverage for ~~six months or less duration~~ less than 12 months and excludes coverage for preexisting conditions. Short-term major medical plans do not satisfy the requirement for individuals to have insurance under the Patient Protection and Affordable Care Act and individuals who have purchased short-term major medical coverage may be subject to federal penalties for not having minimum essential coverage.

The disclosures required by this section must be contained on the first page of the policy. The requirements of this section also apply to outlines of coverage. Nothing in this ~~sections~~

section applies to Medicare supplement, or to long-term care, disability, or credit health insurance coverages.

Source: 39 SDR 203, adopted June 10, 2013, effective January 1, 2014.

General Authority: SDCL 58-17-87(6), 58-33A-7(13).

Law Implemented: SDCL 58-17-70, ~~58-33A-2(1),(3),(4),(6), and (10).~~

CHAPTER 20:06:39

INDIVIDUAL PLANS

Section

- 20:06:39:01 Dual eligibility.
- 20:06:39:02 Creditable coverage and preexisting waiting periods for newborn and adopted children.
- 20:06:39:03 Permissible rating factors.
- 20:06:39:04 Repealed.
- 20:06:39:04.01 Certificates required upon loss of coverage.
- 20:06:39:05 Standards for determinations on length of preexisting waiting periods.
- 20:06:39:06 Repealed.
- 20:06:39:06.01 Student health plans -- Bona fide association plans.
- 20:06:39:07 Requirements for breaks in coverage when applying for a new policy.
- 20:06:39:08 Repealed.
- 20:06:39:08.01 Active marketing required.
- 20:06:39:09 Prohibited practices.
- 20:06:39:10 Prohibited compensation arrangements.
- 20:06:39:11 Repealed.

20:06:39:12	Repealed.
20:06:39:13	Repealed.
20:06:39:14	Repealed.
20:06:39:15	Repealed.
20:06:39:16	Repealed.
20:06:39:17	Repealed.
20:06:39:18	Repealed.
20:06:39:19	Guaranteed issue -- Effective date of coverage.
20:06:39:20	Guaranteed issue -- Tolling of 63-day time frame.
20:06:39:20.01	Repealed.
20:06:39:20.02	Repealed.
20:06:39:20.03	Repealed.
20:06:39:20.04	Repealed.
20:06:39:20.05	Effective date of guaranteed issue plan.
20:06:39:20.06	Repealed.
20:06:39:21	Definition of ordinarily prudent person in preexisting condition clauses.
20:06:39:22	Fair market standards for carriers.
20:06:39:23	Group applicability to individual market.
20:06:39:24	Repealed.
20:06:39:25	Repealed.
20:06:39:26	Repealed.
20:06:39:27	Repealed.
20:06:39:28	Repealed.

20:06:39:29 Repealed.

20:06:39:30 Usual, customary, and reasonable charges for standard and basic plans.

20:06:39:31 Repealed.

20:06:39:32 Contract of more than six months -- Defined.

20:06:39:33 Repealed.

20:06:39:34 Repealed.

20:06:39:34.01 Disclosure requirements.

20:06:39:34.02 Renewability of short term major medical plans.

20:06:39:35 Policy not subject to group requirements.

20:06:39:36 Medically necessary leave of absence defined.

20:06:39:37 Dependent coverage.

20:06:39:38 Notification.

20:06:39:39 Continued application in case of changed coverage.

20:06:39:40 Effective date.

20:06:39:41 Creditable coverage -- Children's Health Insurance Program.

20:06:39:42 Association health insurance plans subject to individual market rating requirements.

20:06:39:43 Definitions.

20:06:39:44 Prohibition on genetic information in setting premium rates.

20:06:39:45 Limitation on requesting or requiring genetic testing.

20:06:39:46 Exceptions to requiring genetic testing.

20:06:39:47 Research exception.

20:06:39:48 Prohibitions on collection of genetic information for underwriting purposes.

20:06:39:49 Medical appropriateness.

20:06:39:50 Collection of genetic information prior to or in connection with enrollment.

20:06:39:51 Incidental collection exception.

20:06:39:52 Prohibition on genetic information as a condition of eligibility.

20:06:39:53 Prohibition on genetic information as preexisting condition.

20:06:39:54 Medicare supplemental health insurance.

20:06:39:55 Applicability to excepted benefits.

20:06:39:56 Effective date.

20:06:39:57 Guaranteed availability of coverage in the individual market.

20:06:39:58 Denial of coverage.

20:06:39:59 Open enrollment.

20:06:39:60 Initial open enrollment period.

20:06:39:61 Annual open enrollment period.

20:06:39:62 Special enrollment period effective dates.

20:06:39:63 Coverage issued outside open enrollment.

20:06:39:64 Enrollment in catastrophic plans.

20:06:39:65 Student health insurance coverage.

20:06:39:66 Clinical trial.

20:06:39:67 Nonrenewal of coverage.

20:06:39:68 Discontinuing a particular product.

20:06:39:69 Discontinuing all coverage.

20:06:39:70 Special enrollment periods for marriage, birth, and adoption.

20:06:39:71 Special enrollment triggers.

20:06:39:72 Preexisting condition exclusion and waiting period prohibited.
20:06:39:73 Health insurance issuer defined.
20:06:39:74 Applicability.
Appendix A Repealed.
Appendix B Notice of Research Exception.

20:06:39:34.02. Renewability of short term major medical plans. For short term major medical plans, as defined in SDCL 58-17-66(14), the policy must specify an expiration date that is less than 12 months after the original effective date of the policy and, taking into account renewals or extensions, may have a duration of no more than 36 months in total.

Source:

General Authority: SDCL 58-17-87.

Law Implemented: SDCL 58-17-87.

20:06:40:02. Short-term, limited duration policies. Creditable coverage includes short-term limited duration policies. Short-term, limited duration insurance means health insurance coverage that is provided under a contract with a health insurance issuer that has and which specifies in the contract an expiration date—specified in the contract that is within less than 12 months of the date the contract becomes effective, including any after the original effective date of the contract and, taking into account renewals or extensions, may have a duration of no more than 36 months in total. The renewals or extensions that may be elected by the policyholder without the health insurance issuer's consent referenced in this section may be offered by the issuer or elected by the policyholder without the health insurance issuer's consent.

Source: 24 SDR 35, effective September 29, 1997; 39 SDR 203, effective June 10, 2013.

General Authority: SDCL 58-18-79.

Law Implemented: SDCL 58-18-44, 58-18-79.

CHAPTER 20:08:07

**NOTICE FILINGS FOR COVERED SECURITIES AND
REGISTRATION EXEMPTIONS**

Section

20:08:07:01	Notice filing for open-end investment companies.
20:08:07:02	Notice filing for closed-end investment companies.
20:08:07:03	Notice filing for unit investment trusts.
20:08:07:03.01	Notice filing for face-amount certificate company.
20:08:07:03.02	Notice filing for Rule 504 and 506 Reg. D offerings.
20:08:07:04	Repealed.
20:08:07:05	Repealed.
20:08:07:06	Repealed.
20:08:07:07	Repealed.
20:08:07:08	Repealed.
20:08:07:09	Repealed.
20:08:07:10	Repealed.
20:08:07:11	Repealed.
20:08:07:12	Repealed.
20:08:07:13	Nonprofit corporations.
20:08:07:14	Repealed.
20:08:07:15	Repealed.
20:08:07:16	Repealed.

20:08:07:17	Foreign cooperatives.
20:08:07:18	Repealed.
20:08:07:19	Repealed.
20:08:07:20	Unsolicited orders.
20:08:07:21	Real estate and mortgage-backed securities.
20:08:07:22	Repealed.
20:08:07:23	Sales to existing security holders/standby commissions.
20:08:07:24	Limited offerings general rules.
20:08:07:25	Intrastate limited offering transactional exemption.
20:08:07:26	Repealed.
20:08:07:27	Testing-the-waters exemption.
20:08:07:28	Repealed.
20:08:07:29	Model accredited investor exemption.
20:08:07:30	Manual exemption.
20:08:07:31	Viatical settlements.
20:08:07:32	Canadian-United States cross-border trading exemption.
20:08:07:33	Church extension fund securities.
20:08:07:34	Solicitation of interest.
20:08:07:35	Merger and consolidation.
20:08:07:36	Designated foreign jurisdiction.
20:08:07:37	Twenty-five purchasers exempt transaction.
20:08:07:38	Entities for economic development.
20:08:07:39	Isolated non-issuer exemption.

20:08:07:40 Request for transactional exemption pursuant to a fairness determination.

20:08:07:41 Notice filing requirement for federal crowdfunding offerings.

20:08:07:42 Notice filing requirement for Regulation A - Tier 2 offering.

20:08:07:43 Transactional exemption from registration for issuers that comply with ongoing reporting requirements under Tier 2 of Regulation A.

Appendix A Statement of Issuer Form, repealed, 37 SDR 112, effective December 9, 2010.

Appendix B Report of Sales Form, repealed, 37 SDR 112, effective December 9, 2010.

Appendix C Consent to Service of Process Form U-2, repealed, 37 SDR 112, effective December 9, 2010.

Appendix D Form D, repealed, 37 SDR 112, effective December 9, 2010.

Appendix E Solicitation of Interest Form, repealed, 37 SDR 112, effective December 9, 2010.

Appendix F Model Accredited Investor Form, repealed, 37 SDR 112, effective December 9, 2010.

Appendix G Form NF, repealed, 37 SDR 112, effective December 9, 2010.

20:08:07:43. Transactional exemption from registration of issuers that comply with ongoing reporting requirements under Tier 2 of Regulation A. Secondary sales of securities of an issuer that previously sold securities in an offering qualified under Tier 2 of Regulation A of the Securities Act of 1933 are exempt, provided that the issuer is subject to and current in its ongoing reporting requirements under 17 CFR § 230.257(b) (July 1, 2020) at the time of the sale and that the issuer complies with the terms of the exemption from registration in SDCL 47-31B-202(2).

Source:

General Authority: SDCL 47-31B-203, 47-31B-605.

Law Implemented: SDCL 47-31B-202(2).