

**Bulletin 19-03**

To: All Insurance Companies with a Health Line in South Dakota  
From: Larry Deiter, Director  
Date: December 2, 2019  
Re: Limited Duration Long-Term Care Products

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The South Dakota Division of Insurance (“Division”) has reviewed the availability of long-term care insurance products in the South Dakota market. Long-term care insurance protects consumers from the costs of nursing home and assisted living expenses, and is an important product to protect other assets, like a family farm or ranch, from being consumed by those costs. The availability of long-term care insurance is declining as insurance companies exit this market or increase premiums on existing products to cover rising expenses.

Many insurance companies have proposed to offer products similar to long-term care insurance, but with limited benefits for limited durations. These limited duration policies generally do not meet the definition of long-term care insurance in this state.

After review, it is determined limited duration long-term care products are health insurance policies that could offer benefits to South Dakotans currently facing limited available or affordable options for long-term care insurance. Often these limited duration policies are meant to supplement a major medical plan by offering recovery benefits after hospitalization.

Despite some similarities to long-term care products, these products would not fall within the requirements in the long-term chapter of the Insurance Code. Product and rate review must be done via SERFF. Rates will be reviewed for reasonableness in relation to benefits.