

Division of Insurance

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Insurance**

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Insurance Division Hosts Employer Health Insurance Forum

The state Department of Revenue and Regulation, Division of Insurance, in conjunction with the Sioux Falls Area Chamber of Commerce, will be hosting an Employer Health Insurance Forum on April 21, 2009 in Sioux Falls. The forum will be held from 9:00 a.m. to 11:30 a.m. at the Cherapa Conference Center and is open to all employers and employees wanting to learn more about their health insurance options.

Speakers will include representatives from the Division of Insurance, the business industry and the insurance industry. Interested parties are encouraged to pre-register on the Division of Insurance website at http://www.state.sd.us/drr2/reg/insurance/seminar/sd_doi_registration.aspx.

The recommendation for an employer assistance forum originated from a working group put together to implement recommendations made by the Zaniya Task Force. The forum is one of a number of things being done to provide insurance assistance to employers.

In addition to the forum, the Division of Insurance launched a website on Jan. 7, 2009 (www.state.sd.us/drr2/reg/insurance/consumer/employerassistance.htm) to assist employers with health insurance issues. Legislation was also introduced to allow insurance agents and companies to provide employer assistance in conjunction with the sale of insurance policies. This legislation was signed by Governor Rounds on Feb. 11, 2009.

Workers Compensation Informal Hearing

The 2009 NCCI Workers Compensation Loss Costs and Assigned Risk Rates Informal Hearing will be conducted on Tuesday, March 31st, 2009 at 10:00 AM in the conference room located on the Fourth Floor, Room 423 of the State Capitol Building, 500 East Capitol, Pierre, SD. The purpose of this informal hearing will be to discuss the 2009 NCCI Workers Compensation Voluntary Advisory Loss Costs and Assigned Risk Rates filing which will become effective July 1st, 2009.

Bills Passed during the 2009 Legislative Session

HB 1027 An Act to provide for certain employer insurance assistance programs. This legislation provides for an exception to the anti-rebating statutes for insurance agents and companies providing insurance related services to their insurance clients. This legislation will continue to prohibit cash payments outside the parameters of the applicable insurance policy.

HB 1029 An Act to modify the requirements for a filing of a consent to rate for property casualty insurance. This bill will delete the requirement that consent rate requests be filed 30 days ahead of time. The repeal of this unnecessary restriction will enable the insurance market to operate more efficiently.

HB 1030 An Act to repeal certain requirements for the filing of annual actuarial certifications. This bill will no longer require individual and small group health insurance carriers to file an annual actuarial certification. The rating requirements are still required to be met; however, the bill will relieve the insurance carriers from an unnecessary filing.

HB 1049 An Act to revise certain provisions regarding captive insurance companies. This bill amends the captive insurance company laws. This legislation will allow for the formation of group captive insurance companies. This will allow for multiple businesses to jointly form a captive insurance company to insure the joint risk of those businesses that are its parents. Captive insurance companies will be allowed to be either stock or limited liability companies. However, captive insurance companies are limited to commercial property casualty business and may not write either personal lines coverages, such as personal auto or homeowners, or life and health insurance.

HB 1099 An Act to revise certain provisions regarding insurance coverage for residential property that is destroyed while under construction. This bill allows an insurer to include builders risk type coverage on other policies such as homeowners. It changes the valued policy law to allow a lower payment for these builders risk type coverages.

HB 1100 An Act to revise where business records of insurance producers may be maintained. The bill amends the recordkeeping statute so that captive agents are exempted from housing records themselves.

HB 1117 An Act to permit water user districts to provide certain health and life insurance benefits. This bill allows a water district to establish a health plan that can also include life insurance.

HB 1158 An Act to revise certain provisions relating to private placement policies. This bill will allow placement investors to assign ownership of assets such as hedge funds to the insurer as the premium for the policy.

HB 1213 An Act to allow school districts to enter into group health insurance contracts that include dental and vision insurance, and to allow school districts to offer group life and group health insurance benefits to retired employees. This legislation is a clarification to allow schools to include dental and vision contracts along with group and life insurance policies.

SB 109 An Act to revise the provisions for the risk pool to allow uninsurable children to enroll and provide for additional funding. This legislation will allow uninsurable children to join the risk pool based on certain enrollment criteria. The bill also adds 10 cents to the carrier assessment raising it from 25 to 35 cents per member per month.

SB 148 An Act to permit the cancellation of insurance when a person is no longer a participant in the 24/7 sobriety program. This bill amends our personal auto midterm cancellation statutes to allow insurers to cancel a policy midterm if they issued coverage based upon participation in the 24/7 program and that person dropped out of the program.

SB 19 An Act to revise the grounds for which continuation or conversion is not required for group health policies. This bill deletes the continuation requirement when an insurance company cancels for reasons of failure to meet participation requirements or other eligibility requirements. The bill also allows affected employees and dependents who do not have another source of health insurance to get into the risk pool. It does so by waiving the 12 months of prior creditable coverage requirement for these employees and dependents.

SB 20 An Act to revise the lifetime benefit maximum for the risk pool. This legislation will amend the risk pool law by increasing the lifetime limit for enrollees to \$2 million.

SB 24 An Act to revise certain provisions regarding the retention of insurance claim files. This bill simply changes the retention of insurance claim records from 3 years to 5 years making it consistent with other recordkeeping requirements.

SB 27 An Act to revise certain provisions regarding the renewal of limited or restricted insurance producer's licenses. This bill will require agents with limited and restricted licenses to renew those licenses with the Division biennially. They will continue to be exempt from continuing education requirements.

SB 28 An Act to repeal certain provisions regarding the coordination of benefits and the rescission of individual health insurance. This legislation repeals a statute that prohibits coordination of benefits between individual and group health insurance plans.

SB 29 An Act to revise the requirements for replacement of group life insurance policies. This legislation is designed to protect employees from losing their group life insurance when their employer switches life insurance companies.

South Dakota is
now accepting
EFT's. Please
remember when
making a filing
this is the
preferred
choice of
payment.

Study finds South Dakotans underestimate need for long-term care

State to offer free education sessions on long-term care options

A survey conducted by the Department of Social Services found that most South Dakotans underestimate their future risk of needing long-term care. The survey found that only 20 percent of respondents believed they are very likely to need long-term care services in the future. In reality, two out of three South Dakotans will eventually need some type of long-term care.

The survey also found that 40 percent of South Dakotans underestimate the cost of long-term care services. The average cost of nursing home care in South Dakota is more than \$50,000 per year, of which Medicare may only pay a small portion.

"It is important to understand your options for long-term care and develop a plan, both for your own benefit and for the sake of your family," said Deb Bowman, Secretary of the South Dakota Department of Social Services. "I strongly urge families to consider a long-term care insurance plan certified by the Long-Term Care Partnership Program, which can offer additional protection for you and your loved ones."

The Long-Term Care Partnership Program is a public-private partnership that offers individuals quality, affordable long-term care insurance without depleting their assets. The South Dakota Department of Social Services began offering free education sessions on the program in 2007, as a way to raise awareness about long-term care insurance and the benefits for South Dakotans.

The spring 2009 education session schedule includes stops in 10 communities from March through May. Sessions will include basic information on long-term care, the costs related to it, how to plan for long-term care needs, what Medicare and Medicaid will cover and how the Long-Term Care Partnership Program can help. The education sessions are free and open to the public. Each session is scheduled for one hour.

Long-Term Care Partnership Education Sessions

YANKTON: March 24, 2009

Location: Yankton Public Library

Time: Sessions will be held at 3 p.m. and 5:30 p.m.

SIOUX FALLS: March 26, 2009

Location: Caille Branch, Siouxland Library, 4100 Carnegie Cr.

Time: Sessions will be held at 4 p.m. and 7 p.m.

HURON: April 7, 2009

Location: SDSU Extension Office, 1110 3rd St SW

Time: Sessions will be held at 3 p.m. and 5:30 p.m.

ABERDEEN: April 8, 2009

Location: Alexander Mitchell Public Library, 519 S Kline

Time: Sessions will be held at 10 a.m. and noon.

PIERRE: April 14, 2009

Location: Becker-Hansen Board Room, 700 E Broadway

Time: Sessions will be held at 3 p.m. and 5:30 p.m.

MITCHELL: April 15, 2009

Location: Mitchell Public Library, 221 N Duff St.

Time: Sessions will be held at 3 p.m. and 5:30 p.m.

RAPID CITY: April 28, 2009

Location: Rapid City Public Library, 610 Quincey St.

Time: Sessions will be held at 3 p.m. and 5:30 p.m.

SPEARFISH: April 29, 2009

Location: Hudson Hall, 222 W. Hudson

Time: Sessions will be held at 10 a.m. and noon.

ABERDEEN: May 5, 2009

Location: Alexander Mitchell Public Library, 519 S Kline

Time: Sessions will be held at 4 p.m. and 7 p.m.

WATERTOWN: May 6, 2009

Location: Codington County Extension Complex, 1910 W Kemp Ave.

Time: Sessions will be held at noon and 2 p.m.

SIOUX FALLS: May 13, 2009

Location: Caille Branch, Siouxland Library, 4100 Carnegie Cr.

Time: Sessions will be held at noon and 2:30 p.m.

RAPID CITY: May 18, 2009

Location: Rapid City Public Library, 610 Quincey St.

Time: Sessions will be held at 3 p.m. and 5:30 p.m.

SPEARFISH: May 19, 2009

Location: Hudson Hall, 222 W Hudson

Time: Sessions will be held at 4 p.m. and 7 p.m.

Calendar of Events

March 30

Company

**Terminations for
Appointments
must be complete**

April 1

**Surplus Line
Broker Premium
Tax Reports Due**

April 1

**Surplus Line
Insurers -
Unauthorized
Insurers Business
Written Reports
Due**

April 30

**Surplus Line
Renewal Due**

April 30

**Appointment
Renewal and
payment**

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South Dakota Risk Pool Enrollment Expansion

The South Dakota Risk Pool will now be serving additional populations. Children who are uninsurable, have not had coverage and who do not qualify for other insurance will be able to enter the risk pool. This was made possible through [SB 109](#) which was brought forward by the Governor and passed during the 2009 legislative session.

[SB 19](#) makes COBRA and mini COBRA consistent by allowing insurers to not offer continuation coverage when the group no longer meets the participation requirements. This bill creates a safety net by removing the risk pool's 12 months of prior creditable coverage requirement for the employees and dependents of the cancelled groups.

[SB 20](#) amended the Risk Pool law by increasing the lifetime limit to \$2 million for medical and pharmacy claims.

The aforementioned legislation will be implemented on July 1, 2009. For more information on the South Dakota Risk Pool you may visit the website at <http://riskpool.sd.gov> or by telephone at 605.773.3148.

What Consumers can do when insurance coverage for their prescriptions or their treatment is denied

Many health insurance policies provide coverage for prescription drugs but limit coverage to those prescriptions contained in their drug formulary. Drug formularies can change from year to year.

Each plan having a drug formulary must have a mechanism for providing a copy of the current formulary upon request. Furthermore, the insurance company must have a process for requesting an exception to the formulary and must provide the consumer with information on how to request an exception.

Denial of treatment can come in many forms, before (preauthorization or pre-approval), during (concurrent review) or after (retrospective review) the desired treatment. For most such policies, the insurance company has certain procedures that must be followed and must

The American Recovery and Reinvestment Act of 2009 (ARRA) provides for a 65% reduction in COBRA premiums for certain assistance eligible individuals for up to 9 months. For more information regarding the ARRA please visit the [Department of Labor website](#).

provide an avenue for appeal of their adverse decisions. If a consumer disagrees with the insurance company's determination they can file a grievance with that company.

There is also a process that is required for urgent care requests. Insurance companies must provide for an expedited review of any urgent care requests. Those requests must be handled as expeditiously as the condition requires and in no event may the insurance company take more than 72 hours to act on an urgent care request.

The consumer at any time may contact the Division of Insurance for assistance with their insurance problems.

Renewals for Third Party Administrators, Managed Care Contractors, Utilization Review Organizations, and Discount Medical Plan Organizations will open on May 1, 2009 at www.sircon.com/southdakota