**20:06:10:16.  Introductory, initial, or special offers.** Requirements for introductory, initial, or special offers for health and life insurance are as follows:

(1)  An advertisement or solicitation of an individual policy may not directly or by implication represent that a contract or combination of contracts is an introductory, initial, or special offer; that applicants will receive substantial advantages not available at a later date; or that the offer is available only to a specified group of individuals, unless that is the fact. An advertisement or solicitation may not contain words describing an enrollment period as "special" or "limited" or use similar words or phrases when the insurer uses such enrollment periods as the usual method of advertising health or life insurance;

(2)  An advertisement or solicitation may not state or imply that only a specific number of policies will be sold or that a time is fixed for the discontinuance of the sale of the particular policy advertised because of special advantages available in the policy unless that is the fact;

(3)  Different terms of renewability, an increase or decrease in the dollar amounts of benefits, or an increase or decrease in an elimination period for another policy are not sufficient to constitute the product being offered as a different product eligible for concurrent or overlapping enrollment periods;

(4)  An advertisement or solicitation may not offer a policy which utilizes a reduced initial premium rate in a manner which overemphasizes the availability and the amount of the initial reduced premium. If an insurer charges an initial premium that differs in amount from the amount of the renewal premium payable on the same mode, the advertisement or solicitation may not display the amount of the reduced initial premium either more frequently or more prominently than the renewal premium, and both the initial reduced premium and the renewal premium must be stated in juxtaposition in each portion of the advertisement or solicitation where the initial reduced premium appears;

(5)  Health advertisements or solicitations may not include special awards, such as a "safe driver's award," in connection with advertisements or solicitations of accident or accident and sickness insurance.

**Source:** 4 SDR 6, effective August 9, 1977; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 15 SDR 143, effective March 29, 1989; 27 SDR 54, effective December 4, 2000; 38 SDR 116, effective January 10, 2012.

**General Authority:** SDCL 58-33A-7.

**Law Implemented:** SDCL 58-33-5, 58-33-6, 58-33-7, 58-33A-8, 58-33A-10.