**20:06:13:19.  Renewability.** An insurer may not reserve the right not to renew a policy. A noncancellable, guaranteed renewable, or noncancellable and guaranteed renewable policy may not:

(1)  Terminate coverage of a spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than the nonpayment of premium; or

(2)  Be cancelled or nonrenewed by the insurer solely on the grounds of deterioration of health.

If a Medicare supplement policy eliminates an outpatient prescription drug benefit as a result of requirements imposed by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, the modified policy shall be deemed to satisfy the guaranteed renewal requirements of this section. This section applies to 1990 standardized Medicare supplement benefit plans as well as 2010 standardized Medicare supplement benefit plans.

**Source:** 8 SDR 174, effective July 1, 1982; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 17 SDR 58, effective October 29, 1990; 31 SDR 214, effective July 6, 2005; 35 SDR 183, effective February 2, 2009.

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**Law Implemented:** SDCL 58-17A-2.