**20:06:21:53.01.  Suitability standards.** Every insurer, health care service plan or other entity marketing long-term care insurance, all referred to as the "issuer", shall:

 (1)  Develop and use suitability standards to determine whether the purchase or replacement of long-term care insurance is appropriate for the needs of the applicant;

 (2)  Train its agents in the use of its suitability standards; and

 (3)  Maintain a copy of its suitability standards and make them available for inspection upon request by the director.

 To determine if the applicant meets the suitability standards developed by the issuer, as required by this section, the agent and issuer shall develop procedures that consider the following:

 (1)  The ability to pay for the proposed coverage and other pertinent financial information related to the purchase of the coverage;

 (2)  The applicant's goals or needs with respect to long-term care and the advantages and disadvantages of insurance to meet these goals or needs; and

 (3)  The values, benefits, and costs of the applicant's existing insurance, if any, when compared to the values, benefits, and costs of the recommended purchase or replacement.

 **Source:** 28 SDR 157, effective May 19, 2002.

 **General Authority:** SDCL 58-17B-4.

 **Law Implemented:** SDCL 58-17B-4.