



# Division of Insurance

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**dlr** south dakota department of  
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## Shane Mattheis Joins the South Dakota Division of Insurance

Division of Insurance Director Larry Deiter is pleased to announce Shane Mattheis has joined the division as the Assistant Director of Property and Casualty.

Mattheis has served the citizens of South Dakota in state government for over 23 years, most recently working as a financial systems/budget analyst with the Bureau of Finance and Management.

“Shane will be a tremendous asset to the division,” Director Deiter said. “His extensive public sector expertise and private business experience will be beneficial to our decision making process and overall operations. We’re very excited to have him join our team.”

A South Dakota native, Mattheis grew up in rural Pierre. He graduated from South Dakota State University, double majoring in economics and business. In addition to his role with the division, Mattheis oversees the operation of the family farm and has been a business owner for over 20 years. Mattheis currently owns and operates multiple businesses in Pierre and Fort Pierre.

“I appreciate the opportunity to continue my public service in this new capacity,” said Mattheis. “I look forward to meeting and working with the insurance producers and industry representatives within the property and casualty area.”

Mattheis’ first day with the division was July 24.

## 2016 Open Enrollment Dates

Open enrollment for individual health care coverage in 2016 runs from Nov. 1, 2015 to Jan. 31, 2016. Coverage can be obtained through the Federally Facilitated Marketplace (FFM) or in the general market. Enrollment can be completed through the Marketplace at [www.healthcare.gov](http://www.healthcare.gov), an agent/broker, a navigator, or by calling the federal call center. A listing of carriers licensed to operate in South Dakota and offering plans through the Marketplace and in the general market can be found in the Consumers section of the Division of Insurance website at <http://dlr.sd.gov/insurance>.

## 2016 Legislative Session

The division is currently preparing for the 2016 Legislative Session, officially slated to begin at noon on Jan. 12, 2016. If you wish to discuss potential legislative changes with the division prior to the legislative session, please contact our office at 605.773.3563 or by email at [insurance@state.sd.us](mailto:insurance@state.sd.us).

<http://dlr.sd.gov/insurance>

## Resources Available for Agents and Brokers in the Health Insurance Marketplace

Agents and brokers wanting to sell in the Federally Facilitated Exchange (Marketplace) can access information and resources through The Center for Consumer Information and Insurance Oversight (CCIIO) at <https://www.cms.gov/ccio/programs-and-initiatives/health-insurance-marketplaces/a-b-resources.html>. Content includes background information, general resources, news, registration information and training options.

### CMS Announces the Health Insurance Marketplace Effectuated Enrollment Snapshot for June 30, 2015

On Sept. 8, 2015, the Centers for Medicare & Medicaid Services (CMS) announced as of June 30, 2015, 9.9 million consumers had an active health insurance coverage policy and paid premiums as of the end of June.

An advance premium tax credit (APTC) to make premiums more affordable was issued to approximately 84 percent of these consumers. The average APTC was \$270 per month. CMS also provides enrollment and financial assistance information by state.

For South Dakota specifically, total effectuated enrollment as of June 30 was 18,983. Of this total, 87.5 percent, or 16,618, receive an APTC. The average APTC for South Dakota is \$224.

In addition, 12,138 South Dakotans, or 63.9 percent, received a cost sharing reduction (CSR) to lower the amount of out-of-pocket costs they incur for deductibles, coinsurance and copayments.

CMS issues the state-by-state effectuated enrollment snapshots for the Marketplace on a quarterly basis. In addition to the effectuated enrollment and APTC/CSR information, the report includes the distributed of the enrollment by qualified health plan metal level.

The CMS fact sheet can be accessed [here](#).

### Small Group Definition

On Oct. 7, 2015, the president signed into law the Protecting Affordable Coverage for Employees Act (PACE Act), H.R. 1624. This act repeals the increase in the number of employees for small employers in connection with a group health plan. Prior to the PACE Act the definition of small employer would have gone from 1-50 employees to 1-100 employees on Jan. 1, 2016.

With this repeal, South Dakota's administrative rule defining small employer will not change. ARSD 20:06:40:75 defines "small employer," in connection with a group health plan with respect to a calendar year and a plan year, as an employer who employed an average of at least one but not more than 50 employees on business days during the preceding calendar year and who employs at least one employee on the first day of the plan year.

The Centers for Medicare & Medicaid Services (CMS) recently issued a "Frequently Asked Questions" (FAQ) to provide guidance regarding the impact of the PACE Act. This guidance is available [here](#).

## Stormy Weather Leads to Common Questions and Reminders

South Dakota has experienced a fair share of severe storms this past summer, many bringing large hail and high winds. The end result is many consumers filing claims for damage to their property or automobiles.

Common questions consumers posed to division staff members in the last few months include: Why would my insurer's estimate only list paintless dent repair when estimating my claim? Can my insurer tell me where I have to take my vehicle to get it fixed? Does the repair shop need to be listed on the claim check? All the contractors are busy, how long do I have to complete the repairs on my property?

For automobile damage claims due to hail, insurers are reminded that Bulletin 98-3 "Paintless Dent Repair for Hail Claims" is still applicable. The claim estimate must disclose whether the estimate is partially or fully based on the paintless dent repair method. This method may not be appropriate for vehicles that have suffered severe hail damage and cannot be returned to their pre-loss condition. In this instance, the conventional method must be used as a basis for settlement. An insurer cannot require the repairs be made nor can they require the repairs be performed by a certain repair shop; however an insurer may recommend a particular repair shop to the vehicle owner. The repair shop should not be listed as a payee on the claim check unless requested by the claimant.

In a busy storm season, it may be difficult for a consumer to arrange for a contractor to complete repairs on their property caused by storm damage in a timely manner. Most policies will pay no more than the actual cash value of the damage until the actual repair or replacement is complete. Some policies state the policyholders must notify the company of their intent to repair or replace the damaged property within 180 days after the date of loss. A consumer can request an extension from the company in the event the repairs or replacement cannot be completed within this time frame. Under certain circumstances, the company may grant an extension. Other policies may state the policyholders have up to one year from the date of loss to complete the repairs or replacement and do not allow for any extension.

For a better understanding of their policy coverage in the event of storm damage, consumers are encouraged to work with their local agent to review the loss settlement provisions in their policy.

## 2016 Insurance Rates and Forms Review Complete

The South Dakota Department of Labor and Regulation, Division of Insurance (DOI) has completed its review of the rates and forms for those plans wishing to sell health insurance in 2016.

There will be two insurance carriers in South Dakota, Avera Health Plans, Inc. and Sanford Health Plan, certified and offering health care coverage plans through the Federally Facilitated Marketplace (FFM).

In addition, DOI has completed its review for those plans wishing to sell outside of the Exchange. Those carriers offering plans in the individual market include Avera Health Plans, Celtic Insurance Company, Sanford Health Plan, Dakotacare and Wellmark.

A listing of carriers licensed to operate in South Dakota and offering plans through the Marketplace and in the general market can be found in the Consumers section of the DOI website at <http://dlr.sd.gov/insurance>. Average rate information for plans sold in the Marketplace and general market is also available through the marketing links found here: [http://dlr.sd.gov/insurance/consumers/companies\\_licensed\\_to\\_sell\\_in\\_sd.aspx](http://dlr.sd.gov/insurance/consumers/companies_licensed_to_sell_in_sd.aspx).

## Notice of Public Hearing to Adopt Rules

The Department of Labor and Regulation, Division of Insurance (DOI) held a public hearing in the West River Conference Room, 124 South Euclid Avenue, 2nd Floor, Pierre, S.D., 57501, on Oct. 19, 2015, at 9 a.m., to consider the adoption and amendment of the following proposed rules to chapters 20:06:09, 20:06:39 and 20:06:40.

The effect of the proposed rule change to chapter 20:06:09 is to update the division's holding company rules related to reporting requirements. Changes to chapters 20:06:39 and 20:06:40 amend the rules about certificates of creditable coverage. Federal HIPPA laws no longer require insurers to provide a certificate of creditable coverage to every policyholder. The proposed rule change allows the insurer to provide certification of creditable coverage or the certificate of creditable coverage upon request by or on behalf of the individual. The [Rules Text](#) can be viewed at [http://dlr.sd.gov/insurance/legal/public\\_hearings.aspx](http://dlr.sd.gov/insurance/legal/public_hearings.aspx).

## Recent Administrative Rule Changes & Updates

### **Administrative Rule Changes** (Effective Date – July 1, 2015):

Rules 47:03:10 – Independent Contractor Exempt Status Affidavit and Fact Sheet (form available [here](#))

### **Administrative Rule Changes** (Effective Date – Oct. 13, 2015):

Rules 20:06:01, 20:06:12, 20:06:13, 20:06:19, 20:06:21, 20:06:25, 20:06:26, 20:06:27, 20:06:30, 20:06:36, 20:06:44, 20:06:48, 20:06:53 – 2015 Medicare Coverage Amounts and Update Sources Referenced in Rule

Pending Administrative Rule changes can be viewed [here](#).