

Initial COBRA Notice

Federal law requires most employers sponsoring group health plans to offer employees and their families the opportunity to elect a temporary extension of health coverage (called “continuation coverage” or COBRA coverage) in certain instances when coverage under a group health plan would otherwise end. A group health plan includes any major medical plan, dental plan, vision plan, health FSA, or other plan that employers may maintain and that provides medical care. For simplicity, any such group health plan is referred to in this Notice as the “Plan.” You do not have to show that you are insurable to elect continuation coverage, however, you will have to pay all of the premium for your continuation coverage. At the end of the maximum coverage period (described below), you will be allowed to enroll in an individual conversion health plan if it is otherwise available under the Plan, subject to the requirement to pay the premiums required by the individual conversion health plan.

This Notice provides a brief overview of your rights and obligations under current law. The Plan offers no greater COBRA rights than what the COBRA statute requires, and this Notice should be construed accordingly.

Both you (the employee) and your spouse should read this summary carefully and keep it with your records!

Qualifying Events

If you are the **employee** of the Employer and are covered by the Plan, you have the right to elect continuation coverage if you lose coverage under the Plan because of any one of the two “qualifying events”:

1. Termination of employment (for reasons other than gross misconduct).
2. Reduction in the hours of your employment.

If you are the **spouse** of an employee covered by the Plan, you have the right to elect continuation coverage if you lose coverage under the Plan because of any of the following four “qualifying events”:

1. The death of your spouse.
2. A termination of your spouse’s employment (for reasons other than gross misconduct) or reduction in your spouse’s hours of employment with the Employer.
3. Divorce or legal separation from your spouse. (Also, if an employee eliminates coverage for his or her spouse in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the later divorce or legal separation will be considered a qualifying event even though the ex-spouse lost coverage earlier. If the ex-spouse notifies the administrator within 60 days after the later divorce or legal separation, then COBRA coverage may be available for the period after the divorce or legal separation.)
4. Your spouse becomes entitled to Medicare benefits.

In the case of a **dependent child** of an employee covered by the Plan, the dependent child has the right to elect continuation coverage if group health coverage under the Plan is lost because of any of the following five “qualifying events”:

1. The death of the employee-parent.
2. The termination of the employee-parent’s employment (for reasons other than gross misconduct) or reduction in the employee-parent’s hours of employment with the Employer.
3. Parent’s divorce or legal separation.
4. The employee-parent becomes entitled to Medicare benefits.
5. The dependent ceases to be a “dependent child” under the Plan.

Your IMPORTANT Notice Obligations

If your spouse or dependent child loses coverage under the Plan because of divorce, legal separation or the child’s losing dependent status under the Plan, then you (the employee) or your spouse or dependent has the responsibility to notify the Plan Administrator of the divorce, legal separation, or the child’s losing dependent status. You or your spouse or dependent *must* provide this notice no later than 60 days after the date coverage terminates under the plan. *If you or your spouse or dependent child fails to provide this notice to the Plan Administrator during this 60-day notice period, any spouse or dependent child who loses coverage will NOT be offered to elect continuation coverage.* Furthermore, if you or your spouse or dependent child fails to provide this notice to the Plan Administrator, and if any claims are mistakenly paid for expenses after the date coverage terminate upon the divorce, legal separation, or a child’s losing dependent status, then you, your spouse, and your dependent children will be required to reimburse the Plan for any claims so paid.

If the Participant is provided with the choice of a dependent child's group term life insurance coverage, he/she may elect to continue the group term life insurance coverage (by electing to continue the group term life insurance coverage) if he/she elects to continue the group term life insurance coverage. See the YOU MUST NOTIFY US agreement for more details.

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Election Procedures

You (the Participant) and your dependent child(ren) must elect to continue the group term life insurance coverage within 60 days of the termination of the group term life insurance coverage. If you or your spouse and dependent children do not elect continuation coverage within this 60-day election period, you will lose your right to elect continuation coverage. A COBRA election by the Participant is required to be made by the deadline.

You (the Participant) and your dependent child(ren) must elect to continue the group term life insurance coverage for a family of four. You, your spouse and dependent child(ren) each have a 60-day election period to elect continuation coverage. The election period for dependent child(ren) is 60 days from the date of the termination of the group term life insurance coverage.

You (the Participant) and your dependent child(ren) must elect to continue the group term life insurance coverage if you are a dependent child of the Participant.

Type of Coverage

Options for continuation of group term life insurance coverage are available to you and your dependent child(ren) if you are a dependent child of the Participant. The election period for dependent child(ren) is 60 days from the date of the termination of the group term life insurance coverage. If you are a dependent child of the Participant, you must elect to continue the group term life insurance coverage by the deadline.

If the Participant is a dependent child of the Participant (as defined in the group term life insurance policy), the Participant and dependent child(ren) may elect COBRA continuation coverage for the group term life insurance coverage. For example, if you are a dependent child of the Participant (e.g., a dependent child of the Participant), you may elect COBRA continuation coverage for the group term life insurance coverage. If you are a dependent child of the Participant, you must elect to continue the group term life insurance coverage by the deadline.

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COBRA Premiums That You Must Pay

The Participant and dependent child(ren) must pay the COBRA continuation coverage premium for the group term life insurance coverage. The Participant and dependent child(ren) must pay the COBRA continuation coverage premium for the group term life insurance coverage.

Once the coverage is terminated, the individual may elect to continue coverage by electing to pay the COBRA premium. Coverage will be effective from the date of termination through the 45-day election period.

An individual may elect to continue coverage by electing to pay the COBRA premium for a 30-day grace period. An individual may also elect to continue coverage by electing to pay the COBRA premium for a 30-day grace period, but the COBRA coverage will be terminated if the individual does not pay the premium by the end of the 30-day grace period.

Maximum Coverage Periods

The maximum period of COBRA coverage is determined by the COBRA coverage election. The maximum COBRA coverage period is determined by the following table:

36 Months. If (the individual is a dependent child) or (the individual is a dependent child of a dependent child of the Plan), the maximum COBRA coverage period (for a dependent child) is 36 months from the date of termination.

18 Months. If (the individual is a dependent child) or (the individual is a dependent child of a dependent child of the Plan), the maximum COBRA coverage period (for a dependent child) is 18 months from the date of termination.

1. If an individual is a dependent child of a dependent child of a dependent child of the Plan, the maximum COBRA coverage period (for a dependent child) is 18 months from the date of termination. The Social Security Administration's final regulations under Title II (Old Age, Survivors, and Disability Insurance) of the Social Security Act have determined that the maximum COBRA coverage period (for a dependent child) is 18 months from the date of termination.
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Shorter Maximum for Health FSAs. The maximum COBRA coverage period for a health flexible spending account (health FSA) is determined by the following table (if the individual is a dependent child of a dependent child of a dependent child of the Plan, the maximum COBRA coverage period (for a dependent child) is 18 months from the date of termination).

Children Born to or Placed for Adoption With the Covered Employee During COBRA Period

A child born to, adopted, or placed for adoption with the covered employee during the COBRA period may be eligible for COBRA coverage. The child's COBRA coverage will begin on the date of birth or adoption, and the child will be eligible for COBRA coverage for the remainder of the COBRA period. The child's COBRA coverage will be terminated if the child is not eligible for COBRA coverage (for example, if the child is not a dependent child of a dependent child of a dependent child of the Plan).

Open Enrollment Rights and HIPAA Special Enrollment Rights

Qualified beneficiaries who have elected COBRA coverage may be eligible for special enrollment rights (SEER) if they are a dependent child of a dependent child of a dependent child of the Plan.

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Alternate Recipients Under QMCSOs

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Termination of COBRA Coverage Before the End of Maximum Coverage Period

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You Must Notify Us About Address Changes, Marital Status Changes, Dependent Status Changes and Disability Status Changes

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Plan Administrator

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For More Information

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