



Initial / General Notice of COBRA rights

This packet contains forms for use when an individual first becomes covered under the plan.

COBRA regulations require that the General, or Initial Notice of COBRA rights must be sent to the covered individual(s) within 90 days of the date they first become covered under the plan.

The plan administrator should retain proof that this notice was sent to the last known address of the covered individual(s)

The above listed notices were sent to the following:

Date of Notice	
Name of Individual(s)	
Address	
City, St, Zip	
Notes:	

Important Information –General Notice
Initial/General Notice of COBRA rights. Continuation coverage rights under COBRA

Company Name		Address	
Name of Individual		Address	
Date			

Introduction

On April 7, 1986 a Federal Law was enacted (Public Law 99-272, Title X)—The Consolidated Omnibus Budget Reconciliation Act of 1986 (“COBRA”) requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called “continuation coverage”) at group rates in certain instances where coverage under the plan would otherwise end (called “Qualifying Events”).

This notice is intended to inform you, your spouse, and dependent child(ren) of your rights and obligations under COBRA should you, your spouse, and dependent child(ren) become covered under your sponsoring employer’s group health plan(s). This notice is general in nature. For more information about your rights and obligations under the plan, see your summary plan description or contact your plan administrator. All affected individuals should read this notice carefully and refer to it in the event any action is required. You should retain this notice with other important benefits documents. Since all notices will be sent to your last known address, it is important that your sponsoring employer have your current address. If you or your spouse move, or change your mailing address, you must notify the plan administrator.

What is COBRA Coverage?

If you are a covered employee of the sponsoring employer and you are covered by one or more of their group health plans, you have a right to choose continuation coverage for yourself, your spouse and/or dependent child(ren), if you, your spouse and/or dependent child(ren) lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct).

If you are a covered spouse of an employee covered by the Plan of the sponsoring employer, you have the right to choose continuation coverage for yourself and/or dependent child(ren) if you lose group health coverage for any of the following reasons:

- 1) *The death of your spouse.*
- 2) *The termination of your spouse’s employment (for reasons other than gross misconduct) or a reduction in your spouse’s hours of employment with the sponsoring employer.*
- 3) *Divorce or legal separation from your spouse, or;*
- 4) *Your spouse becomes entitled to Medicare.*

If you are a covered dependent child of an employee covered by the Plan of the sponsoring employer, you have the right to choose continuation coverage if group health coverage is lost for any of the following reasons:

- 1) *The death of the employee.*
- 2) *The termination of the employee’s employment (except for terminations due to gross misconduct) or a reduction in the employee’s hours of employment with the sponsoring employer.*
- 3) *Parent’s divorce or legal separation.*
- 4) *The employee becomes entitled to Medicare, or;*
- 5) *The dependent ceases to be a “dependent child” under the terms of the Plan.*

For retirees, spouses or dependent children of a retiree, you also have a right to elect continuation coverage if you lose coverage within one year before or after your sponsoring employer’s commencement of Bankruptcy proceedings under Title 11, United States Code. Under the plan, Qualified Beneficiaries who elect COBRA coverage are required to pay for COBRA continuation coverage.

You must give notice of some Qualifying Events. Under the law, the covered employee or family member has the responsibility to inform the Plan Administrator of a divorce, legal separation, or a child losing dependent status under the terms of the group health plan within 60 days of the date of the event or the date on which coverage would end under the Plan because of the event, whichever is later. Written notice must be provided to the Plan Administrator at the address shown on this form. If notice to the Plan Administrator is not made within 60 days, all rights to continuation coverage will terminate. If a covered employee cancels coverage for a spouse in anticipation of a divorce or legal separation, the sponsoring employer, upon receiving timely notification, is required to make COBRA continuation coverage available as of the date of divorce or legal separation, but not before that date. As of January 1, 1997, the term “Qualified Beneficiary” for COBRA purposes also includes a child born to or placed for adoption with a covered employee during the period of the employee’s continuation coverage. Once a newborn or adopted child is enrolled in continuation coverage pursuant to the Plan’s rules, the child will be treated like all other COBRA Qualified Beneficiaries with respect to the same Qualifying Event. The maximum coverage period for the child is measured from the same date as for other Qualified Beneficiaries with respect to the same Qualifying Event, not from the date of the child’s birth or placement for adoption.

The employer has the responsibility to notify the Plan Administrator of Qualifying Events that are the employee’s death, termination, reduction of hours in employment, or when a covered employee loses coverage due to Medicare Entitlement, and, if the plan provides retiree health coverage, the commencement of a proceeding in bankruptcy with respect to the employer.

When is COBRA Coverage Available?

When the Plan Administrator is notified that one of these events has happened, you will in turn be notified that you have the right to choose continuation coverage. Under the law, you have 60 days from the later of the 1) date that you would have lost coverage because of the Qualifying Events described above, or 2) the date of the notice of your right to elect continuation coverage, to inform the Plan Administrator that you want continuation coverage. You have 45 days from the date of the election to make your first premium payment. All subsequent premium payments are due on the premium due date, and must be paid in full within the grace period defined by the Plan (usually 30 days). Payments are considered "made" on the date sent. If you do not choose continuation coverage during this election period, your group health coverage will end according to the terms of the Plan. If you are an incompetent beneficiary, a responsible third party may elect and/or pay for continuation coverage on your behalf. Please provide the Plan Administrator with the following information:

(use a separate sheet, if needed)

Employee's Name

Employer's Name

Employee's SS#

Relationship to Employee

Dependent's Name

Dependent's SS#

Dependent's Mailing Address

Dependent's Phone#

Dependent's Date of Birth

Date of Loss of Coverage

If you choose COBRA continuation coverage, you are required to be provided with coverage that is identical to the coverage being provided under the Plan to similarly situated employees or family members. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children. If group health coverage is lost because of a termination of employment or reduction in hours of employment, the law requires that Qualified Beneficiaries be afforded the opportunity to elect 18 months of COBRA continuation coverage, which is measured from the Qualifying Event date.

For other Qualifying Events, Qualified Beneficiaries other than the covered employee will be afforded the opportunity to elect 36 months of continuation coverage. An 18 month period of continuation coverage may be extended for up to 11 months (for a total of 29 months of continuation coverage) if the Qualified Beneficiary has been determined to be disabled (under Title II or XVI of the Social Security Act) as of the date of the Qualifying Event or within the first 60 days of COBRA continuation coverage. The Qualified Beneficiary must provide written determination of the disability by the Social Security Administration within 60 days of the determination and prior to the end of the 18-month continuation period. The sponsoring employer may charge up to 150% of the applicable premium during the 11-month disability extension. The 11-month extension applies to all disabled and non-disabled Qualified Beneficiaries entitled to continuation coverage as a result of the same Qualifying Event.

Continuation coverage periods of 18 or 29 months may be extended to 36 months for a Qualified Beneficiary other than the covered employee if a second Qualifying Event occurs. A second Qualifying Event may be the death of the employee, divorce, legal separation, employee becoming entitled to Medicare, or a child losing dependent status under the terms of the Plan. To be eligible for the extension the second Qualifying Event must occur during the original 18 or 29 month continuation period and the Plan Administrator must be notified, in writing, within 60 days of the second Qualifying Event.

The law also provides that continuation coverage may be cut short prior to the expiration date of the 18, 29, or 36 month period for any of the following reasons:

- 1) *Your sponsoring employer no longer provides any group health coverage for any of its employees.*
- 2) *The premium for your continuation coverage is not paid in a timely manner.*
- 3) *You first become, after the date of election, covered under any other group health plan, which does not contain a pre-existing condition exclusion or limitation that would apply to the Qualified Beneficiary.*
- 4) *You first become, after the date of election, entitled to Medicare.*
- 5) *Coverage has been extended for up to 29 months due to a disability and there has been a final determination that the individual is no longer disabled. You are required to notify the Plan Administrator within 30 days of any such final determination.*

You do not have to show that you are insurable to choose continuation coverage. However, under COBRA law, you will have to pay the applicable premium, plus an administrative fee, if applicable, during the 18 or 36-month period of continuation coverage. However, during the 11-month disability extension, you may be required to pay up to 150% of the applicable premium. The law also says that, at the end of the 18-, 29-, or 36-month continuation coverage period, you must be allowed to enroll in an individual conversion health plan if one is provided under the Plan. Also, under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, you may, in certain cases, such as when you exhaust COBRA continuation coverage, have the right to purchase individual health coverage with out being subject to a pre-existing condition exclusion and without having to show evidence of insurability.

If You Have Questions

This notice is a summary of the law and is general in nature. The law itself and the actual Plan provisions must be consulted with regard to the application of these provisions in any particular circumstances. If you have any questions about COBRA law, or if you have changed marital status, or either you or your spouse has changed addresses, please contact the Plan Administrator at:

Or, contact the nearest regional or district office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa