

Coverage Election Notice for Pennsylvania Mini-COBRA Coverage

Thursday, May 26, 2016

Dear:

This notice contains important information about your right to continue your health care coverage in the *[enter name of group health plan]* (the Plan). Please read the information contained in this notice very carefully.

To elect continuation coverage, follow the instructions on the following pages to complete the enclosed Continuation Coverage Election Form and submit it to us.

If you do not elect continuation coverage, your coverage under the Plan will end on *[enter date]* due to *[check appropriate box(es)]*:

- ☐ End of employment
 - ☐ Involuntary ☐ Voluntary
- ☐ Divorce or legal separation
- ☐ Death of employee
- ☐ Entitlement to Medicare
- ☐ Reduction in hours of employment
- ☐ Loss of dependent child status

Each person in the category(ies) checked below is entitled to elect continuation coverage, which will continue group health care coverage under the Plan for up to nine (9) months *[Check appropriate box or boxes; names may be added]*:

- ☐ Employee or former employee
- ☐ Spouse or former spouse
- ☐ Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage
- ☐ Child who is losing coverage under the Plan because he or she is no longer a dependent under the Plan

If elected, continuation coverage will begin on *[enter date]* and can last until *[enter date]*.

Continuation coverage will cost: You do not have to send any payment with the Election Form. Important additional information about payment for continuation coverage is included in the pages following the Election Form.

If you have any questions about this notice or your rights to continuation coverage, you should contact

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You may also contact our insurance broker at (215)355-2121 if you have questions about the benefits and coverage or about enrolling on the healthcare.gov marketplace (Obamacare)0



215.355.2121 • www.totalbenefitsinc.com

Continuation Coverage Election Form

Instructions: To elect continuation coverage, complete this Election Form and return it to us. Under Pennsylvania law, you have thirty (30) days after the date of this notice to decide whether you want to elect continuation coverage.

Send completed Election Form to: **[Enter Name and Address]**

This Election Form must be completed and returned by mail *[or describe other means of sub*
If mailed, it must be post-marked no later than *[enter date]*.

If you do not submit a completed Election Form by the due date shown above, you will lose your right to elect continuation coverage. If you reject continuation coverage before the due date, you may change your mind as long as you furnish a completed Election Form before the due date.

Read the important information about your rights included in the pages after the Election Form.

I (We) elect continuation coverage in **the [enter name of plan]** (the Plan) as indicated below:

Name	Date of Birth	Relationship to Employee	SSN (or other identifier)
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- a. _____
- b. _____
- c. _____

Signature

Date

Print Name

Relationship to individual(s) listed above

Print Address

Telephone number

Important Information about Your Continuation Coverage Rights

What is continuation coverage?

Pennsylvania law requires this group health insurance coverage give employees and their families the opportunity to continue their coverage for up to nine months when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan. Depending on the type of qualifying event, covered employees and eligible dependents may include the employee (or retired employee) covered under the group health plan, the covered employee’s spouse and the dependent children of the covered employee.

Continuation coverage is the same coverage, with no break in coverage, that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan.

Who is eligible, and how long will continuation coverage last?

Employees and eligible dependents who have been continuously insured under the group policy or for similar benefits under any group policy which it replaced, for the three consecutive months ending with the employee’s termination by a qualifying event. Continuation coverage is not available if:

- (1) the employee or eligible dependent is eligible for coverage under Medicare;
 - (2) the employee or eligible dependent fails to verify that he is ineligible for employer-based group health insurance as an eligible dependent;
- or
- (3) the employee or eligible dependent is or could be covered by any other insured or uninsured arrangements that provides hospital, surgical or major medical coverage for individuals in a group and under which the person was not covered immediately prior to the termination of the employee’s group coverage (excluding Medicaid, CHIP – the Children’s Health Insurance Program, and adultBasic).

Coverage may be continued for up to nine (9) months. However, if any of these three events happens after continuation coverage has begun, eligibility for coverage ends, and the employee or eligible dependent is required to provide written notice to the administrator within fourteen (14) days that coverage should not occur.

In addition, continuation coverage will end:

- (1) if the employee or eligible dependent fails to make timely payment of a required premium contribution;
- or
- (2) if the group coverage is terminated.

How can you elect continuation coverage?

To elect continuation coverage, each covered employee or eligible dependent must complete the Continuation Coverage Election Form and furnish it according to the directions on the Form. Unless an eligible dependent's election otherwise specifies, election of continuation coverage by an eligible dependent will be deemed an election of continuation coverage on behalf of any other eligible dependent who would lose coverage by reason of the qualifying event.

In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage will affect your future rights under federal and state law. First, you can lose the right to avoid having preexisting condition exclusions applied to you by other group health plans if you have a 63-day gap in health coverage; election of continuation coverage may help prevent such a gap. Second, you will lose the guaranteed right to purchase individual health coverage that does not impose a preexisting condition exclusion if you do not elect continuation coverage for the maximum time available to you. Finally, if you have a right to a conversion policy under section 621.2 of the Insurance Company Law of 1921 (40 P.S. §756.2), you will lose the right to a conversion policy if you do not elect continuation coverage for the maximum time available to you.

How much does continuation coverage cost?

Continuation coverage will cost *[enter amount each qualified b0* You do not have to send any payment with the Continuation Coverage Election Form.

[If employees might be eligible for trade adjustment assistance, the following information must be added: The Trade Act of 2002 created a tax credit for certain individuals who become eligible for trade adjustment assistance and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC). Under the tax provisions, eligible individuals can either take a tax credit or get advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage. ARRA made several amendments to these provisions, including an increase in the amount of the credit to 80% of premiums for coverage before January 1, 2011 and temporary extensions of the maximum period of COBRA continuation coverage for PBGC recipients (covered employees who have a nonforfeitable right to a benefit any portion of which is to be paid by the PBGC) and TAA-eligible individuals.

If you have questions about these provisions, you may call the Health Coverage Tax Credit Customer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact.]

When and how must payment for continuation coverage be made?

You may contact
to confirm the correct amount of your first payment.
Your payment(s) for continuation coverage should be sent to:

[enter appropriate payment address]

For more information

This notice does not fully describe continuation coverage or other rights with respect to your coverage. More information is available from *coverage administration under the Plan*].

If you have any questions concerning the information in this notice, your rights to coverage you should contact *[enter name of party responsible for continuation coverage administration, with telephone number and address]*.

For more information about your rights under state law, contact:

Pennsylvania Insurance Department
Toll-free, Automated Consumer Hotline: 1-877-881-6388
Harrisburg Regional Office: (717) 787-2317
Philadelphia Regional Office: (215) 560-2630
Pittsburgh Regional Office: (412) 565-5020
ra-in-consumer@state.pa.us

Keep Your Administrator Informed of Address Changes

In order to protect your and your family's rights, you should keep { qwt'r rcp"cf o lpkutcvqt informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to<