

North Coast Builders Exchange Insurance Trust
NBBE Policy Changes
January 1, 2006

Effective immediately, the NBBE Board has amended policies as follows. All five (5) NBBE Administrators (North Coast Builders Exchange Insurance Trust, Marin Builders Association, Contra Costa Builders Exchange, Solano/Napa Builders Exchange and Q & A Administration) will adhere to the following:

ELIGIBLE MEMBERSHIP IN THE NBBE HEALTH PROGRAM

Effective January 1, 2006, the waiting period for new groups to the program has been amended as follows:

- Before joining any NBBE Group Health Plan, Member Firms with **2 or fewer enrolling subscribers** must meet a 180-day waiting period after the Membership Activation Date with the Exchange/Association. These firms may then join the 1st of the month, within the next 60 days, following the day the waiting period is complete; and,
- Before joining any NBBE Group Health Plan, Member Firms with **3 or more enrolling subscribers** may join the 1st of the month, within the next 60 days, following the Membership Activation Date with the Exchange/Association.

RE-ENROLLMENT WHEN A GROUP IS TERMINATED

Eligibility in the Health Program should be consistent across all NBBE (Exchange/Association) Participants:

- In the event a group is terminated from an NBBE plan for one of the following reasons, they must wait a minimum of 12 months before they can re-enroll under any other NBBE (Exchange/Association) program, and then may do so only during the NBBE Open Enrollment period.
 - o Termination for Non-payment
 - o Termination for Non-professional (abusive / inappropriate) behavior
 - o Voluntary Termination
- Changes to an Employer's Participation Agreement will only be allowed during Open Enrollment.

PROCESSING ENROLLMENTS

NBBE Administrators can only process enrollment applications which are complete in order to ensure that all participation and eligibility rules are being met. Specifically,

- If a subscriber applies for one or more coverage type, NO applications will be processed until all the proper paperwork is completed in full. *It is the responsibility of the subscriber to ensure that all applications are complete and accurate.* If the missing information is not submitted in a timely manner to allow enrollment at the proper effective date, the subscriber will then not be allowed to enroll until the next NBBE Open Enrollment.

Additionally, during the annual NBBE Open Enrollment, none of the group's paperwork will be processed until the ENTIRE group's paperwork is complete. Any delay in submitting the missing information could result in the group missing the opportunity to enroll or make changes.

LAYOFF POLICY

An employee may be granted a layoff for a period not to exceed 90 days. Coverage may be continued without lapse, provided premiums are remitted by the layoff employer. Notice of such leave must be given to the Trust/Program Administrator, and coverage will terminate at the end of the 90 days unless the Trust/Program Administrator is notified that the employee has returned to active status.

REHIRE POLICY

Employees who are not on payroll for any reason (i.e. layoff, termination, seasonal employment, etc) for a period **longer than 90-days** will be required to meet the employer's eligibility waiting period as stated on file with the NBBE Administrator before being eligible to rejoin the plan. The waiting period will begin the date the employee returns from the time off work.

The waiting period for a rehire whose **rehire date is less than 90-days**, will be waived allowing the employee to enroll the 1st of the month following the date of rehire only if the employee was previously enrolled on the NBBE plan under the same employer and

In all other cases, the employers' waiting period must be met as stated above.

LEAVE OF ABSENCE (LOA) POLICY

Depending on the circumstance, employees on a Leave of Absence may be considered for coverage under our plans. However, in all cases, the Carrier's contracted Leave of Absence policies will be administered for scenarios such as FMLA, Non Workers Comp Related Disability, Military Duty, Workers Compensation Leave.

DOMESTIC PARTNER COVERAGE

Effective 10/19/05, the NBBE will offer Domestic Partner Coverage to any/all individuals who meet California Family Code 297. As of this date, Domestic Partners who are not eligible to register with the Secretary of State will no longer be eligible to join the NBBE plan.

- Grandfather Clause

- Any Domestic Partners who are currently enrolled in the plan and do not meet the criteria of Family Code 297 will be grandfathered and be able to remain active in the plan. In the event that someone who is grandfathered in the plan leaves the plan, he/she will be unable to re-join the plan as a Domestic Partner without meeting the criteria of Family Code 297.

- Administration

- Standard procedures for processing any Qualifying Event changes will require the proper legal documentation to support the event, i.e. Proof of Registration with the State for DPs, Marriage License for new spouse, Birth Certificate for new baby, etc.
- The plan reserves the right to request proof of eligibility for enrollment in the plan at any time.
- Voluntary termination of subscriber or dependent coverage does not constitute a Qualifying Event for Cobra / Cal-Cobra eligibility.

- Domestic Partners' Cobra / Cal-Cobra Rights

- Domestic Partners will be eligible for all the same benefits as a spouse in the state of California for Cal-Cobra.
- Federal law excludes Cobra coverage for Domestic Partners as a Qualified Beneficiary.

COBRA

Effective 11/1/05, all NBBE Administrators will be responsible for noticing and administering COBRA as follows:

- **COBRA Eligibility**
Eligibility is based on the number of employees (Full / Part-time / Union) on *payroll* more than 51% of the working days of the prior calendar year, i.e., the number of employees in 2005 determines whether a group is Fed/Cal in 2006) as follows: (Note: Federal law in many instances regarding multiple/common ownership is very complex. If your company falls into a multiple/common ownership category legal counsel is strongly advised.)
 - Federal Cobra: 20 or more employees
 - Cal-Cobra: 2-19 employees
 - Not Eligible: sole proprietor or when a group plan terminates completely
 - COBRA Questionnaires will be sent from your administrator on an annual basis in order to determine your COBRA eligibility status.
 - Voluntary termination of subscriber or dependent coverage does not constitute a Qualifying Event for Cobra / Cal-Cobra eligibility.
- **Federal Cobra**
 - Responsible for sending/tracking all 10 Federal Cobra Notices for all eligible Qualified Beneficiaries
 - Responsible for *Billing* all Federal Cobra Qualified Beneficiaries, *Collecting* Premium and *Remitting* Premium to the Carriers for the following coverage's and time periods:
 - Medical – 18 months
 - Dental – 18 months
 - Vision – 18 months
 - Chiropractic/Acupuncture – 18 months
 - AB1401 Extension will be offered and administered by the carrier to the QB. Notification will be sent 90-days prior to the end of the first 18-mo to run from months 19-36 for:
 - Medical only
 - Note: dental, vision and chiropractic/acupuncture are not AB1401 eligible.
 - COBRA due to Disability
 - Cobra due to disability can extend to a total of 29 months.
 - Disability related Cobra can charge 150% administration fee from months 18 to 29.
 - Disability extensions must be exhausted prior to electing an AB1401 extension.
- **Cal Cobra**
 - Medical Cal-Cobra will be billed directly by the carrier for 36 months
 - Responsible for sending/tracking all 10 Cal-Cobra Notices for all eligible Qualified Beneficiaries for dental and vision plans only
 - Responsible for *Billing* all Cal-Cobra Qualified Beneficiaries, *Collecting* Premium and *Remitting* Premium to the Carriers for the following time periods:
 - Dental – 36 months
 - Vision – 36 months
 - Note: chiropractic/acupuncture is not Cal-Cobra eligible
- **Rates**
 - Effective 11/1/05 for all new Cobra / Cal-Cobra participants, all Administrators may charge the book rate plus the appropriate administration fees as shown:
 - Federal Cobra: 2%
 - Cal-Cobra: 10% (dental and vision only)
 - Disability for Federal Cobra: Disability related Cobra can charge 150% administration fee from months 18 to 29.