

# General Notice Of COBRA Continuation Coverage Rights

## **\*\* Continuation Coverage Rights Under COBRA \*\***

### **Introduction**

You are receiving this notice because you have recently become covered under a group health plan (the Plan). This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. **This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.**

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage. For additional information about your rights and obligations under the Plan and under federal law, you should review the Plan's Summary Plan Description or contact the Plan Administrator.

### **What is COBRA Continuation Coverage?**

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the plan as a "dependent child."

### **When is COBRA Coverage Available?**

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, or the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), the employer must notify the Plan Administrator of the qualifying event.

### **You Must Give Notice of Some Qualifying Events**

**For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator within 30 days after the qualifying event occurs. You must provide this notice to:**

Cobra Administrator  
North Coast Builders Exchange Insurance Trust  
1030 Apollo Way  
Santa Rosa, CA 95401

The notification must be sent to the COBRA Administrator within 30 days after the later of:

- the date of the qualifying event; or
- the date on which there is or would be a loss of coverage.

If you fail to provide timely notice of the qualifying event, your spouse's address and/or dependent's right to COBRA continuation coverage will be lost.

You must include in your notification all the following information:

- name of the individual(s) experiencing the qualifying event,
- name and Social Security Number of the employee,
- date of the qualifying event,
- type of qualifying event, and
- address of each qualified beneficiary.

When the qualifying event is the end of employment (other than for gross misconduct), or reduction of hours of employment, death of the employee, or the employee's becoming entitled to and enrolled in Medicare benefits (under Part A, Part B, or both), your Employer must notify the COBRA Administrator of the qualifying event within 30 days of the event.

Within 14 days after receiving notice of the qualifying event, the COBRA Administrator will send the COBRA Continuation of Coverage Election Notice and Election Form (the "COBRA Election Notice") to the qualified beneficiary(ies). If you want to be sure the COBRA Administrator has notice that your coverage has been terminated and you want to elect COBRA continuation coverage as soon as possible, you should notify the COBRA Administrator that you are eligible for, and that you wish to apply for, COBRA continuation coverage.

### **How is COBRA Coverage Provided?**

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. 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.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts for up to a total of 36 months. When the qualifying event is the end of

employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended.

#### ***Disability extension of 18-month period of continuation coverage***

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. *You must make sure that the COBRA Administrator is notified of the Social Security Administration's determination within 50 days after the latest of the following:*

- the date of the Social Security Administration's disability determination; or
- the date of the qualifying event;
- the date on which there is a loss of coverage.

Notwithstanding the foregoing, notice of a disability must be provided before the 18 month period of COBRA continuation coverage ends. Notice of the disability must be made in writing and timely sent to the COBRA Administrator. The notice must include the name(s) and address(es) of the qualified beneficiary(ies) who want the extension, the name of the individual determined to be disabled, the name and Social Security Number of the employee, and a copy of the Social Security Administration's determination.

*You or your dependent must also notify the COBRA Administrator within 30 days of the date of a determination by the Social Security Administration that the covered person is no longer disabled if that occurs while you or your dependent(s) is (are) receiving COBRA continuation benefits.*

If the disabled individual elects this disability extension, COBRA continuation coverage after the 18 month period may require payment of up to 150% of the applicable group premium; except that if the disabled individual does not elect COBRA continuation coverage for the additional 11 months, the cost for those individuals electing COBRA continuation coverage for the additional 11 months will not exceed 102% of the applicable group premium.

If you have coverage under an HMO program, you may wish to refer to the section about additional continuation coverage under state law before making an election for extended COBRA continuation coverage due to a disability.

#### ***Second qualifying event extension of 18-month period of continuation coverage***

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plan. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

### **If You Have Questions**

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, 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](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

### **Keep Your Plan Informed of Address Changes**

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

### **Plan Contact Information**

North Coast Builders Exchange Insurance Trust Health Plan  
Insurance Administrator  
1030 Apollo Way  
Santa Rosa, CA 95407  
(707) 542-9502