

Frequently Asked Questions about COBRA*

I just received my COBRA Election Paperwork. What do I need to do to elect COBRA continuation coverage?

The first step is to carefully read the COBRA Election Notice you were sent. This notice contains information about your rights and obligations regarding continuation of group health coverage under COBRA.

In order to elect COBRA continuation coverage, you must complete the COBRA Election Form and mail to you COBRA Administrator (CGI). You may enclose your initial premium payment with you election form if you choose to do so.

How long do I have to make a decision to elect COBRA?

Your specific deadline date to elect COBRA is specified in your COBRA Election Notice. Per Department of Labor guidelines, you have a 60-day election period. If an election form is mailed during this 60-day period, the postmark date will be used to determine if the election was made within the 60-day election period.

What if I decide I need COBRA Coverage after the 60-day election period?

Unfortunately, you will lose all rights to continue coverage under COBRA if you do not make an election during this 60-day period.

How long will my COBRA continuation coverage last?

In the case of a loss of coverage due to the end of employment or the reduction in hours of employment, coverage may be continued for up to 18 months.

In the case of a loss of coverage due to an employee's death, divorce or legal separation, an employee's becoming entitled to Medicare or a dependent child ceasing to be a dependent under the terms of the Plan, coverage may be continued for up to 36 months provided that the Plan Service Provider was provided written notice of the event within 60 days of the later of the date of the event or the date coverage is lost as a result of the event.

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 less than 18 months before the qualifying event, COBRA coverage for qualified beneficiaries (other than the employee) who lose coverage as a result of the qualifying event can extend up to 36 months after the date of Medicare entitlement.

Other situations may occur that may extend the duration of COBRA coverage, please refer to your COBRA Election Notice for additional information.

Why is the cost of my group health plan coverage under COBRA more than what I was paying when I was an active employee with my prior company?

The premiums for COBRA coverage(s) reflect the full monthly premiums that a company "the group" pays for the coverage(s) you are eligible for. In general, when you are an active employee, most companies, as a compensation benefit, pay a percentage of the health premiums and the active employee's remaining portion of the premium is paid through payroll deduction. With COBRA, you are responsible for the full monthly premium with no portion of the premium paid by the employer.

The premiums shown also includes a 2 % fee to cover the additional administrative expenses associated with COBRA continuation.

Other situations may occur that may increase the administrative fee. Please refer to the COBRA Election Notice for further information.

When do I have to pay for my COBRA coverage and when does my insurance coverage begin again?

With COBRA there will be no lapse in your coverage dates, and your COBRA coverage with the carrier begins on your **COBRA Start Date** (as specified in the COBRA Election Notice) once coverage is elected and once payment is made.

Please be aware that you are allowed 45 days after you have elected COBRA (postmark date will be used to determine if the "initial" premium payment was made on time) to make your "initial premium" payment. But only when payment is received, will you be **retroactively** reinstated with the carrier(s).

Every monthly premium must be paid on a timely basis for coverage to remain in effect for that month. Premium payments are considered paid on the date you mail them (as evidenced by your postmark date).

After you "initial Premium payment" all future premiums will be based on one full month of coverage, and will be due on the first date of each month. You will have a 30-day grace period for any COBRA coverages to make future premium payments. Your premium will be treated as timely paid if the postmark date on your premium payment is within this grace period.

Please note that payment reminders are not sent to any COBRA participant.

You must make full payment within the required time period, including a grace period, to prevent cancellation. If your coverage is canceled for non-payment of premium, you typically cannot reinstate it.

Please refer to your COBRA Election Notice for further information on payments and coverage dates.

Will the cost of my COBRA coverage(s) ever change while I am on COBRA?

The monthly premium rates may change, usually following annual open enrollment.

What do I do if I no longer need COBRA coverage?

If you decide to voluntarily terminate your COBRA Coverage, please send your **request in writing to your employer or COBRA Administrator.** The letter should be dated and signed and specify the name of each participant that will be terminated, the coverage types that will be terminated (example, medial & dental), and the date of termination (usually the last day of the month).

**Note: These "Questions and Answers" are provided for general information purposes. Any information contained in the COBRA Election Notice sent to you supersedes the information contained here. Please refer to the COBRA Election Notice for further information and clarification.*

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