

# NOTIFICATION OF RIGHT TO CONTINUE GROUP HEALTH COVERAGE

## Qualifying Events and Continuation Period

The following Qualifying Events entitle otherwise eligible individuals to continue coverage under the employer's group plan for the lengths of time listed below. Each qualified beneficiary (employee, spouse, or dependent child) may elect continuation together or separately.

<b>Qualifying Event</b>	<b>Continuation Period</b>
Employee's termination of employment or reduction in hours	Employee, spouse, and children may continue for up to 18 months <sup>1</sup>
Employee's divorce	Spouse and children may continue for up to 36 months <sup>2</sup>
Employee's eligibility for Medicare benefits	Spouse and children may continue for up to 36 months
Employee's death	Spouse and children may continue for up to 36 months <sup>2</sup>
Child no longer qualifies as a dependent	Child may continue for up to 36 months <sup>2</sup>

<sup>1</sup> If the employee is determined disabled by the Social Security Administration within the first 60 days of COBRA coverage, coverage may be continued for up to 29 months.

<sup>2</sup> The total maximum continuation period is 36 months, even if there is a second qualifying event. A second qualifying event might be a divorce, death, or child no longer qualifying as a dependent after the employee's termination or reduction in hours.

## When Coverage Ends

Your continuation coverage will end before the end of the continuation period listed above if any of the following occurs:

- Your continuation premium is not paid on time;
- You become covered under another group health plan that does not exclude or limit treatment for your pre-existing conditions;
- You become entitled to Medicare benefits;
- The group discontinues its health plan and no longer offers a group health plan to any of its employees.

## Type of Coverage

You may continue any coverage you had before the qualifying event. If your employer provides both medical and dental coverage and you were enrolled in both, you may continue both medical and dental, or medical only. If your employer provides only one type of coverage, or if you were enrolled in only one type of coverage, you may continue only that coverage.

Your employer has the right to change the benefits of its health plan or eliminate the plan entirely. If that happens, any changes to the group health plan will also apply to everyone enrolled in continuation coverage.

## Dependent Coverage

To continue coverage for your eligible dependents, you must list your family members in Section 4 on the reverse side of this form. If your dependents were not covered prior to the qualifying event, they may enroll now or later subject to the same rules that apply to active employees (including late enrollee provisions).

## Enrollment Deadline

To continue coverage, this form must be returned to your employer within 60 days of the date your group coverage ends, or the date your election period expires (noted on the reverse side), whichever is later. If your continuation election form is not returned by the deadline, your coverage will end on the last day you were eligible under the group health policy.

## Premium Payments for Continued Coverage

The cost of continuation coverage is your responsibility. You must pay your premium to the employer before the first day of each month for which you want coverage. The employer will include your continuation premium with the group's monthly payment to PacificSource. PacificSource cannot accept premium directly from you. If your premium is not paid on time, your coverage will end. If your coverage is cancelled due to a missed payment, it will not be reinstated for any reason. Premium rates are established annually and may be adjusted if the plan's benefits or costs change.