**Health Insurance Continuation**

**Effective Date:** XX/XX/XXXX

**Revision Date:** XX/XX/XXXX

The Consolidated Budget Reconciliation Act (COBRA) is a federal law that requires most employers sponsoring group health plans to offer a temporary continuation of group health coverage when coverage would otherwise be lost due to certain specific events.

Through COBRA, employees and their qualified beneficiaries have the right to continue group health insurance coverage after a “qualifying event.” The following are qualifying events:

* Resignation or termination of the employee
* Death of the covered employee
* A reduction in the employee’s hours
* For spouses and eligible dependents, the employee’s entitlement to Medicare
* Divorce or legal separation of the covered employee and his or her spouse
* A dependent child no longer meeting eligibility requirements under the company’s group health plan

Under COBRA, the employee or beneficiary pays the full cost of health insurance coverage at [Company Name]’s group rates [plus an administration fee of up to 2%]. However, the American Rescue Plan Act provides a 100% COBRA subsidy for qualified employees and dependents who lose coverage as a result of an involuntary termination or a reduction in hours (assistance eligible individuals or AEIs). This subsidy is available only for periods of coverage from April 1, 2021 through September 30, 2021. For more information, contact the [HR Contact Title].

**Notification Requirements:**

The employee, or family member, has the responsibility to inform [Plan Administrator] of a divorce, legal separation, or a child losing dependent status within 60 days of the   
event. [Company Name] has the responsibility to notify [Plan Administrator] of the employee’s death, termination of employment, or reduction in hours.

Once the notification has been made to the [Plan Administrator], the [Plan Administrator] will inform the employee that he or she has the right to chose continuation of coverage. If employees choose to continue coverage, [Company Name] is required to provide coverage which is identical to the coverage provided under the plan to similarly situated employees or family members.

**Period of Coverage:**

Continuation of coverage is extended from the date of the qualifying event for a period of 18 to 36 months. The length of time for which continuation coverage is be made available (i.e., the "maximum period" of continuation coverage) depends on the type of qualifying event that gave rise to the employee’s COBRA rights.

An employee’s continuation of coverage may be cut short for any of the following reasons:

* [Company Name] no longer provides group health coverage to any of its employees
* The premium for your continuation coverage is not paid in full on a timely basis
* You become covered under another group health plan that does not contain any exclusion or limitation with respect to any pre-existing condition
* You become entitled to Medicare

This policy provides a summary of health insurance continuation benefits.  Actual coverage is determined by the express terms of the plan documents.  We encourage both you and your family to review the plan's Summary Plan Description (SPD) materials carefully.

If there are any conflicts between the handbook or summaries provided and the plan documents, the plan documents will control.  The company reserves the right to amend, interpret, modify or terminate any of its employee benefits programs without prior notice to the extent allowed by law.

For further details on health insurance continuation available through [Company Name], as well as copies of the plan documents, contact the [HR Representative].