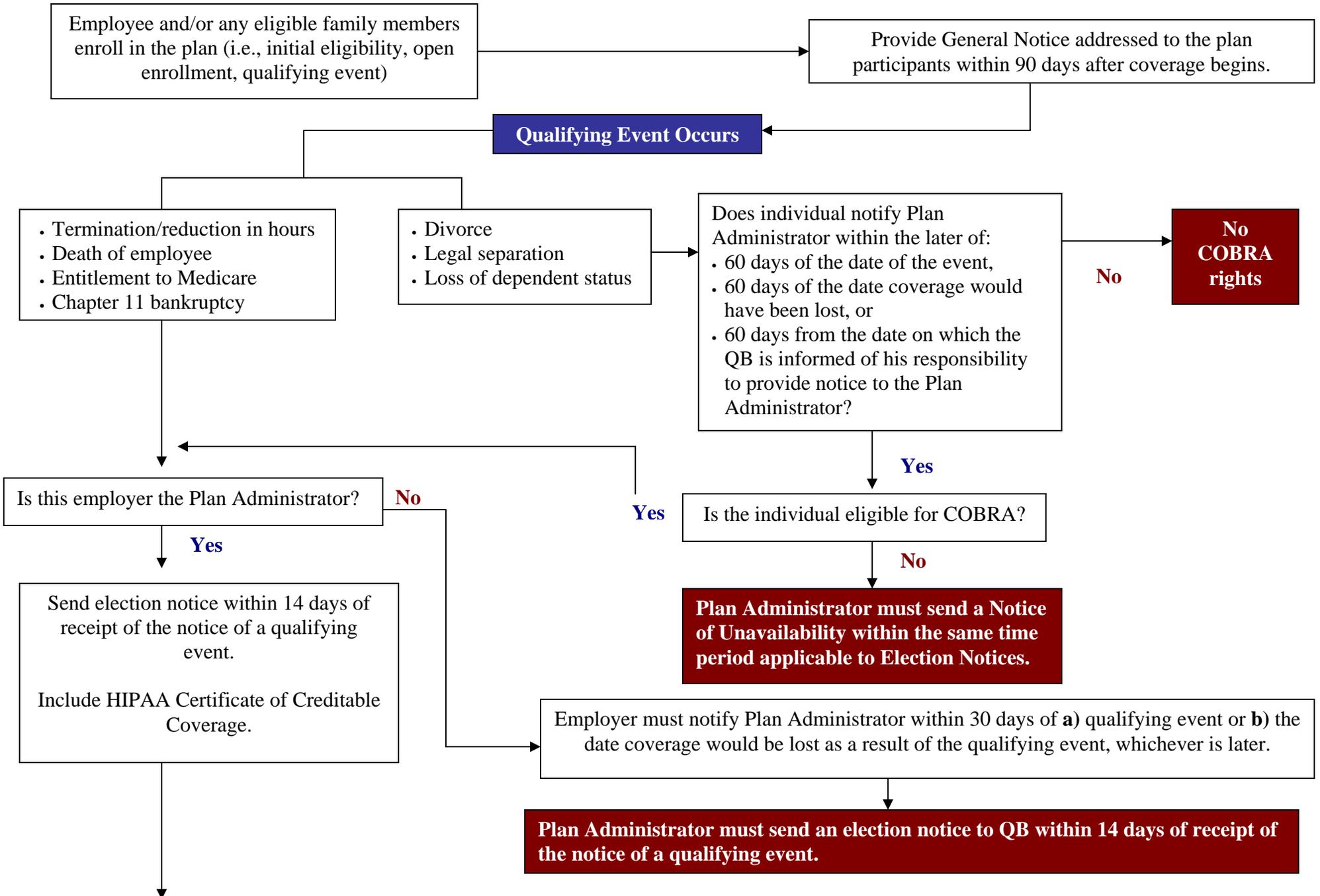
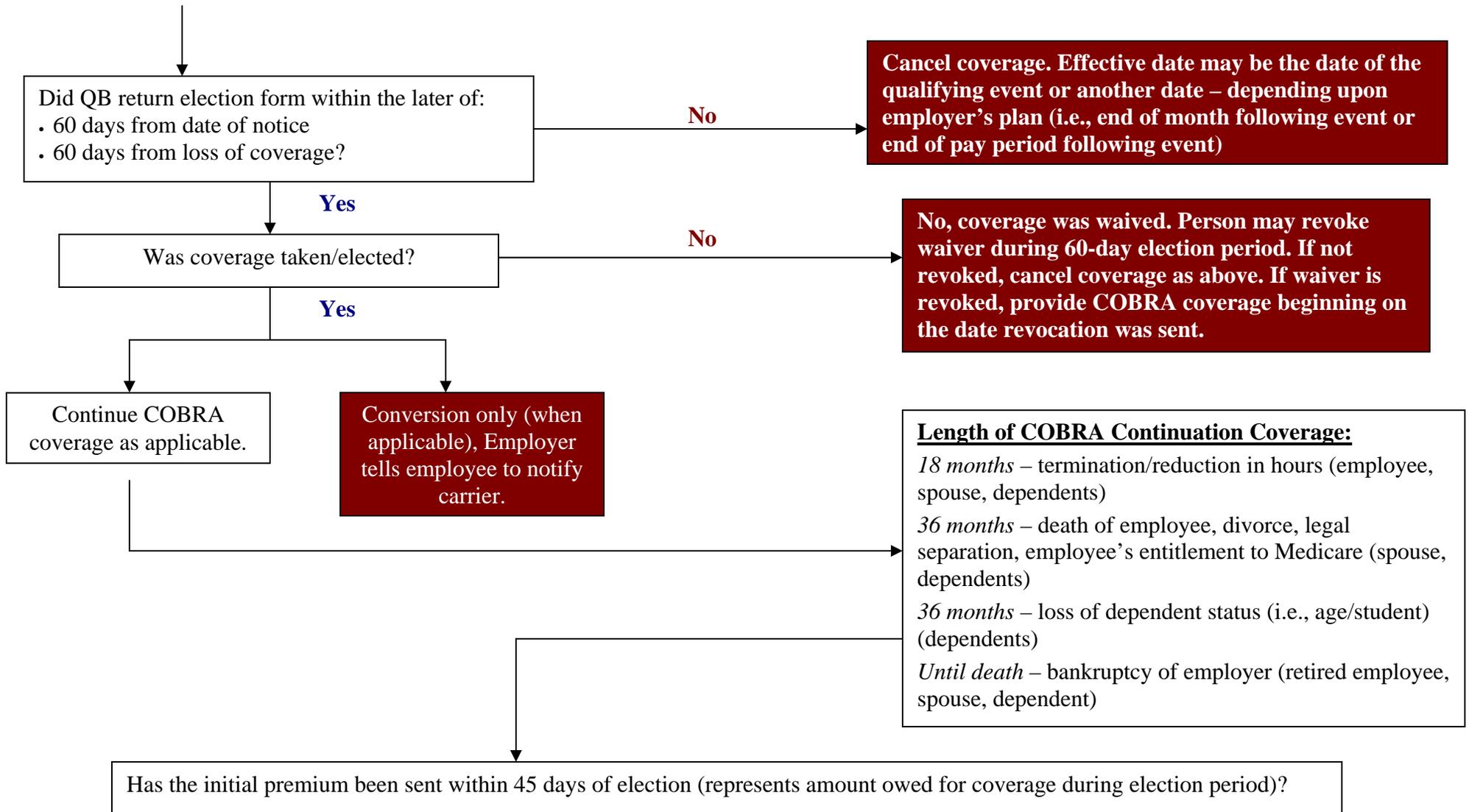


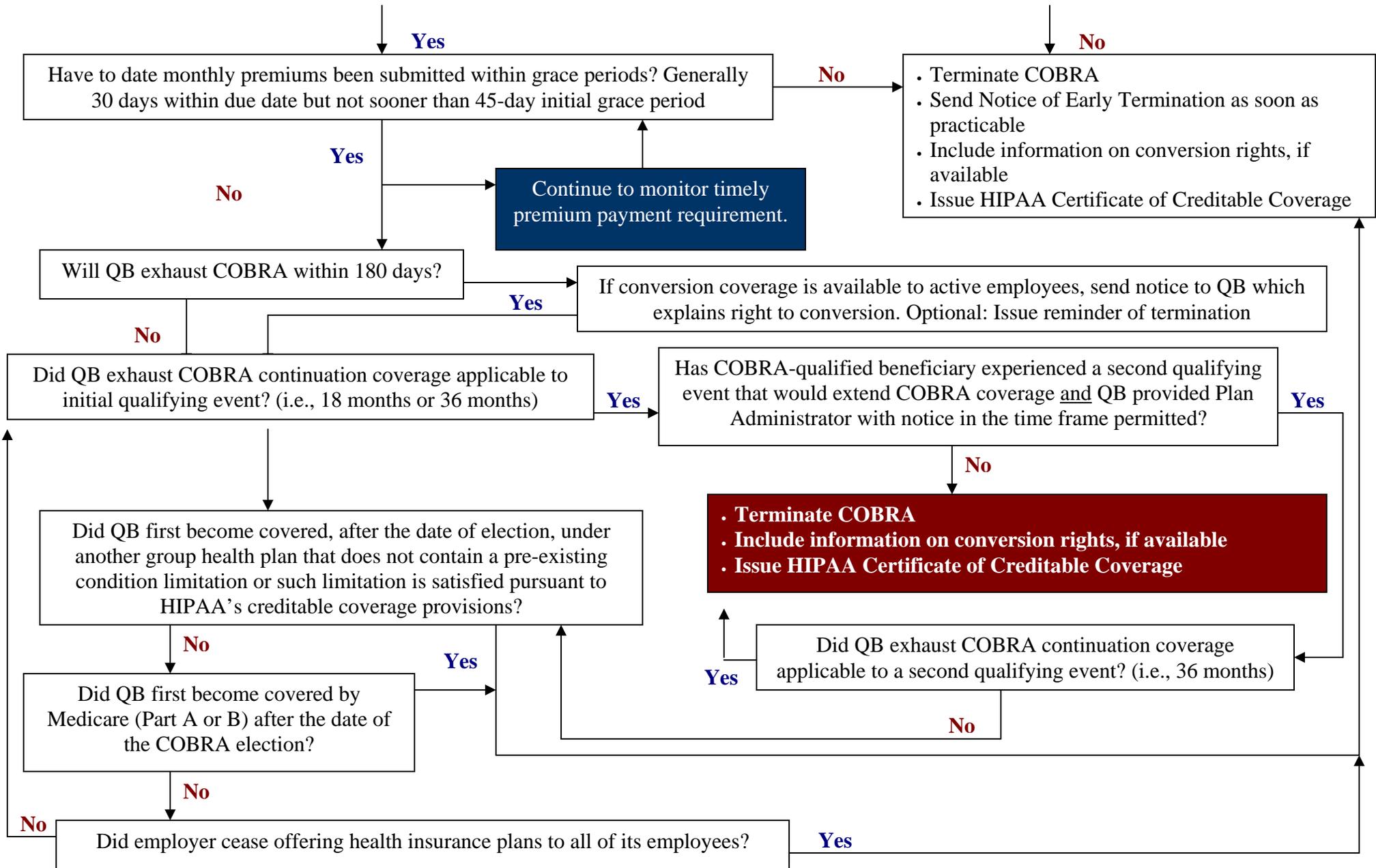
COBRA Administration Flow Chart



COBRA Administration Flow Chart, page 2 of 3



COBRA Administration Flow Chart, page 3 of 3



COBRA Flow Chart – Special Rules for Disabled Qualified Beneficiaries

If a QB is determined disabled by the Social Security Administration (SSA) as of the date of the qualifying event or within 60 days of the original qualifying event, all QBs within the family are entitled to a total of 29 months of COBRA continuation coverage.

The QB must notify the Plan Administrator within the original 18-month COBRA continuation period and within 60 days of the later of a) the date of the SSA's determination, b) the date on which the qualifying event occurs, c) the date on which the QB would lose coverage under the plan, or d) the date on which the QB is informed of his responsibility to notify the Plan Administrator.

A QB is required to notify the Plan Administrator within 30 days of a SSA determination that the QB is no longer disabled. So long as the disabled QB is on the plan, the Plan Administrator may charge 150% of applicable premiums for months 19-29.

COBRA Flow Chart – Special Rules for COBRA Subsidy under ARRA

The American Recovery and Reinvestment Act of 2009 (ARRA) mandates that plans notify certain current and former participants and beneficiaries about the premium reduction and additional election opportunities for health benefits under COBRA.

The Department of Labor created model notices to help plans and individuals comply with these requirements. Each model notice is designed for a particular group of qualified beneficiaries and contains information to help satisfy ARRA's notice provisions.

[General Notice](#) (Full version) Plans subject to the Federal COBRA provisions must send the General Notice to all qualified beneficiaries, not just covered employees, who experienced a qualifying event at any time from September 1, 2008 through December 31, 2009, regardless of the type of qualifying event, and who either have not yet been provided an election notice or who were provided an election notice on or after February 17, 2009 that did not include the additional information required by ARRA. This full version includes information on the premium reduction as well as information required in a COBRA election notice.

[General Notice](#) (Abbreviated version) The abbreviated version of the General Notice includes the same information as the full version regarding the availability of the premium reduction and other rights under ARRA, but does not include the COBRA coverage election information. It may be sent in lieu of the full version to individuals who experienced a qualifying event on or after September 1, 2008, have already elected COBRA coverage, and still have it.

[Alternative Notice](#) Insurance issuers that provide group health insurance coverage must send the Alternative Notice to persons who became eligible for continuation coverage under a State law. Continuation coverage requirements vary among States, and issuers should modify this model notice as necessary to conform it to the applicable State law. Issuers may also find the model Alternative Notice or the abbreviated model General Notice appropriate for use in certain situations.

[Notice in Connection with Extended Election Periods](#) Plans subject to the Federal COBRA provisions must send the Notice in Connection with Extended Election Periods to any assistance eligible individual (or any individual who would be an assistance eligible individual if a COBRA continuation election were in effect) who:

1. Had a qualifying event at any time from September 1, 2008 through February 16, 2009; and
2. Either did not elect COBRA continuation coverage, or who elected it but subsequently discontinued COBRA.

This notice includes information on ARRA's additional election opportunity, as well as premium reduction information. This notice must be provided by April 18, 2009.

Source: United States Department of Labor

Federal COBRA applies to employers with 20 or more employees. This outline is provided as a courtesy to our clients. It is intended to summarize COBRA administration requirements. Please consult your attorney, the Department of Labor, the Department of the Treasury, or the Department of Health & Human Services for specific details.