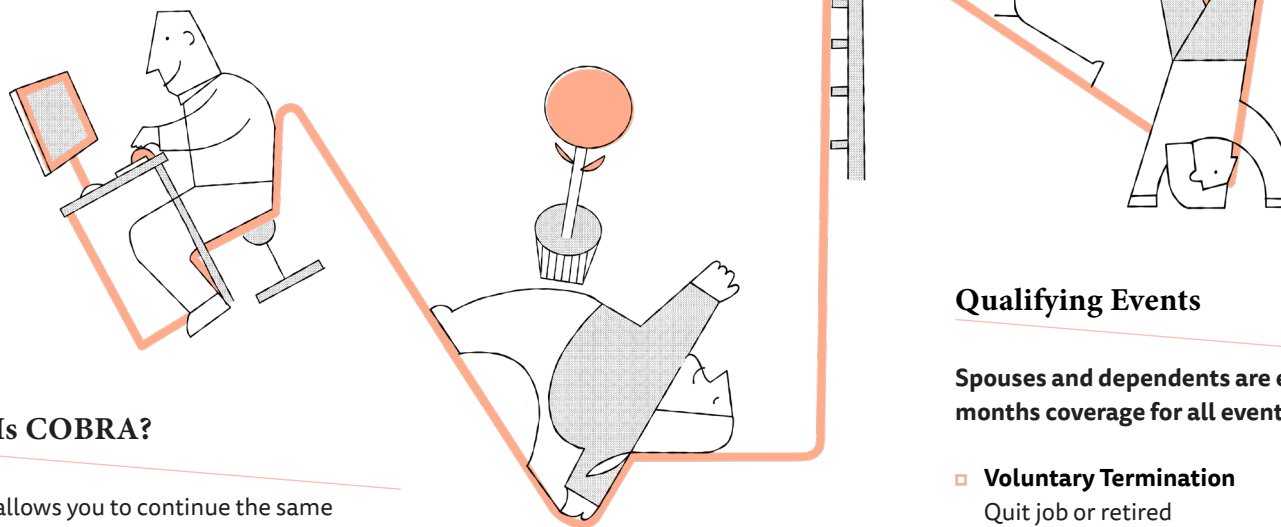


COBRA Coverage

Lost Your Health Insurance or In-Between Jobs?



What Is COBRA?

COBRA allows you to continue the same workplace health insurance coverage after a qualifying event that would otherwise result in a loss of coverage.

What Is Covered?

Your coverage will be identical to the coverage you had before the qualifying event (same deductibles, copays, etc). However, before the qualifying event, the employer was paying a portion of the premium by deducting it from the covered employee's wages. With COBRA, you must now pay 100% of the premium as well as a potential 2% COBRA administration fee.

When Does COBRA Begin?

Your coverage begins on the day of the qualifying event. You will be reimbursed for any out-of-pocket medical expenses that would otherwise be covered during the COBRA election period.

How Do I Enroll in COBRA if I Have a Qualifying Event?

If the qualifying event is:

The employee's termination/reduction of hours, enrollment in Medicare, or death: the employer is required to notify your group health plan administrator within 30 days.

Divorce, legal separation, or loss of dependency status: you are required to notify your group health plan administrator, usually within 60 days.

In both cases, within 14 days of your health plan being noticed, you should receive a written notice from your employer of your right to COBRA benefits and instructions on how to enroll in COBRA, either online or through a paper application. You have 60 days to elect COBRA coverage. If you waive COBRA at first, you can still change your mind so long as it is within the 60 days. Each qualified beneficiary must independently elect.

Qualifying Events

Spouses and dependents are eligible for 36 months coverage for all events:

- **Voluntary Termination**
Quit job or retired
- **Involuntary Termination or Reduction of Hours**
Fired, laid off, or furloughed (except in cases of gross misconduct)
- **Separation or Divorce**
Form covered employee
- **Medicare Eligibility**
Covered employee becomes eligible for Medicare
- **Loss of Dependent Status**
Dependent no longer covered at age 26 (dependents only)
- **Death**
Covered employee dies

Employee eligible for 18 months coverage

What Are My Alternatives?

You may choose not to elect COBRA because your original health insurance plan is not the most affordable option. Instead, you can buy Short-Term Medical Insurance from the Marketplace. It is often cheaper and you can start right away, but the quality of coverage is lower.

Sources:

- 1 Cobrainurance.com
- 2 "FAQs on COBRA Continuation Health Coverage for Workers", US Dept. of Labor