



## MASON COUNTY FIRE DISTRICT #4

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TITLE: EXTENDED HEALTH INSURANCE COVERAGE (COBRA)

CHAPTER: 2000 NUMBER: 2040 APPROVED: 10-07-2008

APPROVED: Signature on file Bob Burbridge, Chief

### Introduction

The Consolidated Omnibus Budget Reconciliation Act of 1986 (“COBRA”) is a federal law that provides, among other things, the right to the temporary continuation of health insurance coverage under certain circumstances that would normally result in the loss of health insurance coverage. COBRA amended several important pieces of federal legislation: the Employee Retirement Income Security Act (“ERISA”), the Internal Revenue Code and the Public Health Service Act.

You are receiving This General Notice of COBRA Continuation Coverage Rights (the “Notice”) because you have recently become covered under a group health plan, the BIAW Health Insurance Trust (the “Plan”). This Notice contains important information about your right to COBRA continuation coverage under the Plan. **This Notice generally explains COBRA continuation coverage, when it may become available to you and your family and what you need to do to protect the right to receive continuation of health insurance.**

COBRA continuation coverage may become available to you when you would otherwise lose your group health insurance coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health insurance coverage.

For additional information about your rights and obligations under the Plan and under federal law, you should review the Plan’s Summary Plan Description or contact the Plan Administrator. The Plan Administrator is responsible for administering COBRA continuation coverage.

### **THE PLAN ADMINISTRATOR IS:**

THE DISTRICT SECRETARY



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### What is COBRA Continuation Coverage?

COBRA provides certain former employees, retirees, spouses, former spouses and dependent children the right to temporary continuation of health coverage at group rates. This temporary continuation coverage, however, is only available when coverage is lost due to certain specific events, called “qualifying events.” Specific qualifying events are described in This Notice.

After a qualifying event, COBRA continuation coverage must be offered to each person who is a “qualified beneficiary.” You, your spouse, and your dependent children could become qualified beneficiaries if health insurance coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay the group health plan insurance premiums.

### **Qualifying Events**

If you are an employee, you will become eligible for COBRA continuation coverage if coverage under the Plan is lost because:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct
- If you are the legal spouse of an employee, you will become eligible for COBRA continuation coverage if coverage under the Plan is lost because:
  - Your spouse dies; or
  - Your spouse’s hours of employment are reduced; or
  - Your spouse’s employment ends for any reason other than his/her or her gross misconduct; or
  - Your spouse becomes entitled to Medicare benefits; or
- You become divorced or legally separated from your spouse
- Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens:
  - The parent-employee dies;
  - The parent-employee’s hours of employment are reduced;
  - The parent-employee’s employment ends for any reason other than his/her or her gross misconduct;
  - The parent-employee becomes entitled to Medicare benefits;
  - The parents become divorced or legally separated; or
  - The child stops being eligible for coverage under the plan as a “dependent child”



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### When is COBRA Coverage Available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. The Fire District is responsible for notifying the Plan Administrator when the qualifying event is:

- the end of employment; or
- a reduction of hours of employment, or
- the death of the employee, or
- the employee becomes entitled to Medicare benefits

**You are responsible** for notifying the Plan Administrator when the qualifying event is:

- Your divorce or legal separation from the employee; or
- A dependent child ceases to be a dependent.

**You must notify the Plan Administrator within 60 days after the qualifying event occurs. You must obtain a COBRA Election Form from the Fire District and provide it to the Plan Administrator.**

### How is COBRA Coverage Provided?

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their legal spouses, and parents may elect COBRA continuation coverage on behalf of their children.

When the qualifying event is (1) the death of the employee, (2) the employee becomes entitled to Medicare benefits, (3) your divorce or legal separation from the employee, or (4) a dependent child ceases to be a dependent, COBRA continuation coverage lasts up to 36 months.

When the qualifying event is (1) the end of employment or (2) a reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for a total of 18 months.

If the employee became entitled to Medicare benefits less than 18 months before the end of employment or a reduction of hours of employment, COBRA continuation coverage for qualified beneficiaries lasts for 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare benefits eight months before the end of employment, COBRA continuation coverage for the employee's legal spouse and dependent children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months).



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There are two ways in which the 18-month period of COBRA continuation coverage can be extended.

### *1. Determination of Disability*

If you, or anyone in your family covered under the Plan, is determined by the Social Security Administration (“SSA”) to be disabled, COBRA continuation coverage may be extended for an additional 11 months for a total maximum of 29 months.

In order for continuation coverage to be extended, the disability must have begun some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. It is your responsibility to notify the Plan Administrator of SSA’s determination **within 60 days** of the date of the disability determination **and before** the end of the 18-month period of COBRA continuation coverage. **You must obtain a COBRA Election Form from the Fire District and provide it to the Plan Administrator along with a copy** of the determination letter from SSA. Send both documents to the Plan Administrator.

### *2. Second Qualifying Event*

If your family experiences another qualifying event during the 18-month period of COBRA continuation coverage, your legal spouse and dependent children may receive up to 18 additional months of COBRA continuation coverage, for a maximum total of 36 months. A second qualifying event consists of: (1) the death of the employee or former employee; or (2) the employee becomes entitled to Medicare benefits, or (3) the divorce or legal separation of the legal spouse and the employee, or (4) if a dependent child ceases to be a dependent. In order to receive this extension of COBRA continuation coverage, you must provide notice of the second qualifying event to the Plan Administrator. It is your responsibility to make sure that the Plan Administrator is notified of the second qualifying event **within 60 days** of the second qualifying event.

### **If You Have Questions**

Questions concerning your group health insurance Plan or your COBRA continuation coverage rights should be addressed to the Plan Administrator. For more information about your rights under the Employee Retirement and Income Security Act (“ERISA”), COBRA, the Health Insurance Portability and Accountability Act (“HIPAA”), and other federal laws affecting group health insurance plans, contact the nearest office of the U.S. District of Labor, Employee Benefits Security Administration or visit [www.dol.gov/ebsa](http://www.dol.gov/ebsa). The addresses and phone numbers of Regional and District EBSA Offices are available through EBSA’s website.



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### **Keep The Plan Administrator Informed of Address Changes**

In order to protect you and your family's rights under COBRA, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices or correspondence that you send to the Plan Administrator.