

# Initial Notice of COBRA Continuation Coverage Rights

The Claremont Colleges – CUC Benefits Administration  
101 S. Mills Avenue, Claremont, CA 91711 (909) 621-8151

RETAIN THIS NOTICE WITH  
YOUR INSURANCE PAPERS

Date of Notice: October 2014

## **IMPORTANT NOTICE: YOUR RIGHTS UNDER COBRA IN THE EVENT THAT YOU LOSE INSURANCE COVERAGE**

**Employees, spouses and any adult dependents (if applicable) should read this notice carefully. If you have adult dependents covered under benefit plans who reside at a different address, either forward them a copy of this notice or inform PayFlex, our COBRA administrator, in writing of the name and address of the dependent. PayFlex will send them a separate copy of this notice.**

Federal Law requires that The Claremont Colleges, as a sponsor of group health plans, offer employees and their eligible family members the opportunity for a temporary extension of health coverage called “continuation coverage” at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you of your rights and obligations under federal law. You may have other rights under applicable state law. Where state law supersedes federal law, The Claremont Colleges and its administrators will make every reasonable effort to apply the appropriate statutes.

Under COBRA law **if you, as an employee of The Claremont Colleges, have coverage under our group health insurance plans**, you have the right to choose continuation coverage equivalent to the eligible insurance in effect on the date you terminated or were laid off from employment if:

1. You have a reduction in employment hours to less than the number of hours per week required to qualify for benefits.
2. Your employment terminates for reasons other than gross misconduct.
3. You retire.
4. Your employer files for reorganization under Chapter 11 (but you are not yet eligible for Medicare).
5. You become disabled under Title II or XVI of the Social Security Act within 60 days of one of the above events.

**If you are a Spouse of an employee (or a retiree for reason [5] below,) covered by The Claremont Colleges group health plan(s)**, you have the right to continue coverage for yourself if you lose our group health insurance coverage(s) for any of the following reasons:

1. The death of your spouse.
2. Termination of your spouse's employment from The Claremont Colleges (for reasons other than gross misconduct) or reduction in your spouse's hours of employment to less than those required to qualify for applicable benefits.
3. Divorce or legal separation from your spouse, even if coverage was terminated in anticipation of divorce or legal separation. NOTE: Coverage will only be provided from the date of the divorce, and you must inform The Claremont Colleges or its designated agent, PayFlex, of the divorce.
4. Your spouse becomes entitled (that is, covered) under Medicare (but you are not eligible for Medicare).
5. Your spouse's employer files for Chapter 11 reorganization.

**Dependent children of employees (or retirees for reason [6] below) covered by The Claremont Colleges group health plan(s)** also have the right to continue coverage if group insurance coverage under The Claremont Colleges group health plan(s) is lost for any of the following reasons:

1. The death of a parent who was an employee of The Claremont Colleges
2. The termination of a parent's employment (for reasons other than gross misconduct).
3. A parent's divorce or legal separation.
4. A parent becomes entitled (that is, covered) under Medicare.
5. The parent's hours have been reduced to less than those required to qualify for benefits.
6. The parent's employer files for Chapter 11 reorganization.
7. The child reaches majority age, or student status expires under the terms of the health plan.

Under the law, the employee or a family member must inform The Claremont Colleges in writing of a “Qualifying Event” such as divorce, legal separation, Social Security determination that the employee was disabled at the time of the employee's termination or reduction in hours, or of a child losing dependent status under The Claremont Colleges group health plan(s) within **60 days**. When The Claremont Colleges is notified that one of these events has occurred, The Claremont Colleges or its designated agent will, in turn, notify you (or your eligible dependent) of your continuation coverage options and cost.

If you do not choose to continue your coverage, your group health insurance through The Claremont Colleges will end.

If you choose to continue coverage, The Claremont Colleges will provide coverage identical to that provided to active, similarly situated eligible employees or their eligible dependents. COBRA continuation law requires that you be allowed the opportunity to maintain continuation coverage for:

1. 18 months from the date your group health coverage(s) ended for reasons of termination of employment, or a qualifying reduction in hours.
2. 29 months for employees and dependents under Federal Law who have informed The Claremont Colleges or its designated agent in writing, anytime during your 18 months standard COBRA coverage period, that Social Security has determined that you were disabled within the first 60 days your COBRA coverage.
3. 36 months for dependent children ceasing to qualify as dependents under our group health plan(s).
4. 36 months maximum for divorce under Federal continuation law.
5. 36 months maximum (applies to dependents), in cases of retirement from active employment at an age where you become entitled to Medicare. (See termination of Continuation Coverage below also.).
6. 36 months for retirees and spouses of retirees should the Employer files for Chapter 11 Bankruptcy under Federal Law.

If, during your 18-month continuation period, you experience a second event from the above listed Qualifying Events, which causes a loss of coverage, your coverage may be extended up to a maximum of 36 months of COBRA coverage. The former employee or a family member must notify The Claremont Colleges or its agent when a second event occurs.

Note: If state laws supersede federal laws in your situation, The Claremont Colleges will make every reasonable effort to continue coverage in accordance with the applicable statutes. In most, but not all cases the total length of continuation of coverage will range from 18 to 36 months.

## **TERMINATION OF CONTINUATION COVERAGE**

The law also provides that your continuation may terminate earlier than the period indicated above for any of the following reasons:

1. The Claremont Colleges no longer provides group health coverage to similarly situated employees.
2. The premium for your continuation coverage is not paid in a timely fashion.
3. You become covered under another group health plan that does not include a pre-existing condition clause that would apply to you or a covered dependent.
4. You become entitled to (that is, covered under) Medicare. NOTE: Medicare coverage in effect prior to COBRA will not prevent you from electing continuation coverage under COBRA.
5. If you are in the months 19-29 of a disability extension and a final determination has been made that you are no longer disabled. Termination of coverage is effective in the month that begins after 30 days from the date of the final determination.

You do not have to show that you are insurable to choose continuation coverage. To continue coverage under the law, you will have to pay all of the premium due plus an administrative charge, as permitted by law.

You have **60 days** to elect COBRA continuation coverage.

You will have **45 days** from the date you elect COBRA continuation coverage to make your initial premium payment. However, your initial premium payment is required to include all premiums due back to the date coverage would (otherwise) have ceased, in addition to all current premiums due. All initial premiums are to be paid in one lump sum, and thereafter on a monthly basis.

Future premiums will be due in advance and by the first of the month for which continuation coverage is desired. After your first premium payment you will have a grace period of **30 days** to pay future monthly premiums. The Federal Law also states that, at the end of 18 months, 29 months or three year continuation coverage period you must be allowed to enroll in an individual "conversion health plan" provided under The Claremont Colleges group health plan(s), if The Claremont Colleges plan includes conversion coverage. The person on continuation coverage must submit a written application for the conversion policy within **31 days** after applicable continuation coverage ends. Applicants for a conversion policy will not be required to provide evidence of insurability. Read the Summary Plan Description relating to your plan for more detailed information and to determine if conversion is available.

If you (as an employee or dependent) have changed marital status or any covered person(s) have changed addresses, please notify The Claremont Colleges in writing at the address below:

**The Claremont Colleges  
CUC Benefits Administration  
101 S. Mills Avenue  
Claremont, CA 91711**

If you are eligible for or are currently on Continuation Coverage, please notify our designated agent for continuation coverage administration:

**PayFlex  
PO Box 2239  
Omaha, NE 68103-2239**