

## Continuation Period

Group health coverage may be continued up to a maximum number of months depending upon the qualifying event. Here are the maximum continuation periods:

Qualifying Event	Beneficiary	Coverage
■ Termination ■ Reduced Hours	● Employee ● Spouse ● Dependent child	18 months*
■ Employee entitled to Medicare ■ Divorce or Legal Separation ■ Death of Covered Employee	● Spouse ● Dependent child	36 months
■ Loss of Dependent Child Status	● Dependent child	36 months

### \*COBRA Extensions:

The 18-month continuation period listed above may be extended for the following reasons:

- If a second qualifying event occurs, a qualified beneficiary that is already on COBRA may elect to extend the coverage from 18 months to 36 months from the date of the ORIGINAL qualifying event.

Secondary events include:

- Death of the employee
  - Medicare entitlement
  - Divorce or legal separation
  - Dependent child ceasing to be a dependent
- The 18-month period can be increased to 29 months in cases where individuals qualify for Social Security disability benefits before the end of the first 60 days of COBRA continuation coverage.

## Assurant Health Requirements

Assurant Health requires that an employer notify Assurant Health of a qualifying event within 30 business days of becoming aware of the event. At that time, the qualified beneficiary will be terminated as of the date of the qualifying event. If a completed Application for Continued Health Insurance is received within the 60-day election period, the applicant will be reinstated back to the date of the qualifying event with no lapse in coverage. If a completed application is not received within the 60-day period, COBRA continuation will not be available.



**ASSURANT** Health

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### About Assurant Health

Assurant Health has been in business since 1892 and is the brand name for products underwritten and issued by Time Insurance Company, John Alden Life Insurance Company and Union Security Insurance Company. Together, these three underwriting companies provide health insurance coverage for almost one million people nationwide. Each underwriting company is financially responsible for its own insurance products. Primary products include individual medical, small group, short term and student health insurance products, as well as non-insurance products and consumer-choice products such as Health Savings Accounts and Health Reimbursement Arrangements. With almost 3,000 employees, Assurant Health is headquartered in Milwaukee, Wis., and has operations offices in Minnesota, Idaho and Florida, as well as sales offices across the country. The Assurant Health Web site is [www.assuranthealth.com](http://www.assuranthealth.com).

Assurant Health is part of Assurant, a premier provider of specialized insurance products and related services in North America and selected international markets. Its four key businesses – Assurant Employee Benefits, Assurant Health, Assurant Solutions and Assurant Specialty Property – have partnered with clients who are leaders in their industries and have built leadership positions in a number of specialty insurance market segments worldwide.

Assurant, a Fortune 500 company, is traded on the New York Stock Exchange under the symbol AIZ. Assurant has more than \$20 billion in assets and \$7 billion in annual revenue. The Assurant Web site is [www.assurant.com](http://www.assurant.com).

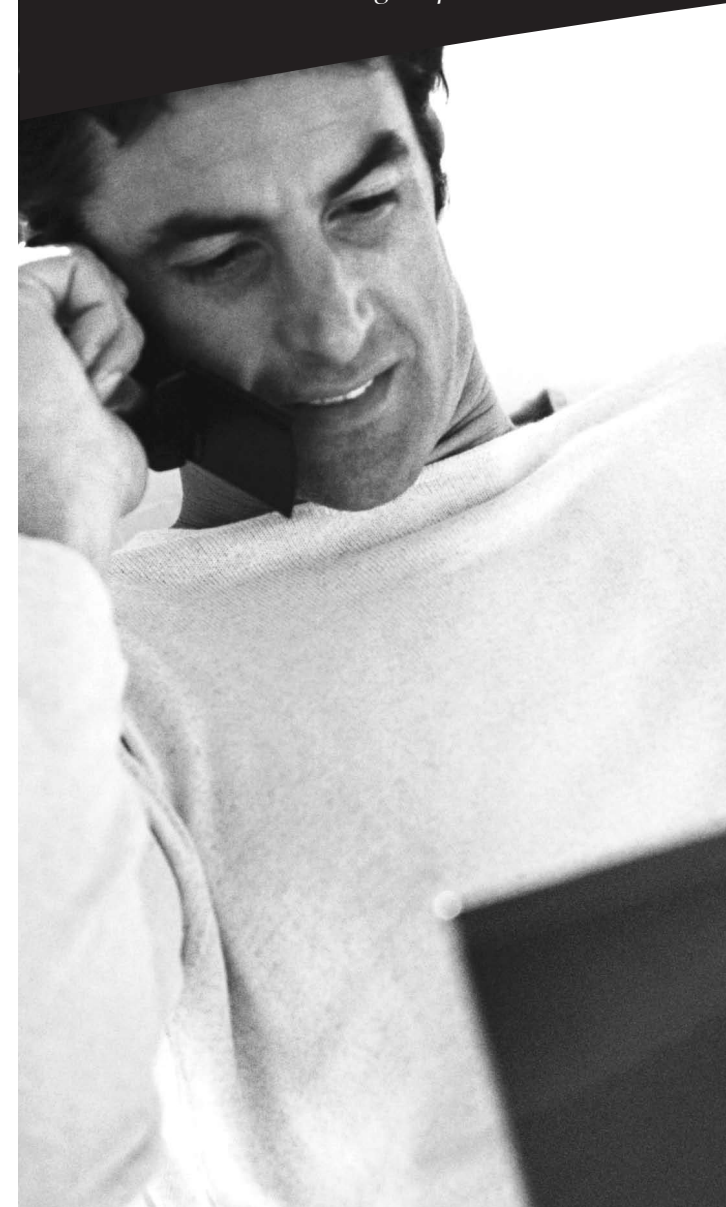
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**ASSURANT**  
Health

**Cobra**

*Continuation  
Coverage Option*



## COBRA Guidelines

The Consolidated Omnibus Budget Reconciliation Act (COBRA) requires that certain employers offer qualified employees and their dependents the opportunity to continue their group health coverage upon the occurrence of certain “qualifying” events that would otherwise cause employees to lose their employer-sponsored health coverage.

Although COBRA affects insurance carriers, it is an employer law. The employer has obligations under COBRA and is responsible for administering COBRA properly. This brochure provides information that will be helpful to you in meeting your current and future obligations under the law. Please note that this information is not to be taken as legal advice nor is it all-inclusive of your requirements and obligations under COBRA.

## Requirements

COBRA applies to employers who employed 20\* or more full or part-time employees (at least 50% of its typical business days) during the previous calendar year.

For COBRA purposes, employers must count individuals that are eligible to participate in a group health plan maintained by the employer. These include full and part-time employees, and may include agents, independent contractors and corporate directors if covered by the plan. Part-time employees must be counted regardless of the number of hours they work.

When an employer increases its work force to 20 or more employees, its health care plan becomes subject to COBRA beginning with the next calendar year.

*\*State continuation may apply to employers who employ less than 20 employees.*

If an employer drops to less than 20 employees, employees remain eligible for COBRA thru the calendar year following the year in which the employer had at least 20 employees.

## Covered Employees/ Qualified Beneficiaries

The term “**covered employee**” means an individual who is (or was) provided coverage under a group health plan in return for performance of services by the individual.

The term “**qualified beneficiary**” means, any individual who, on the day before the qualifying event for that employee, is a beneficiary under the group health plan, such as the—

- spouse of the covered employee, or
- dependent child of the employee.

This also includes a child who is born to, or placed for, adoption with the covered employee during the period of continuation coverage.

## Qualifying Events

An employer’s responsibility to offer COBRA is triggered by a “qualifying event” which can be one of a number of events that causes the loss of the employer-sponsored health care coverage.

### Qualifying events for employees include:

- Termination of employment for reasons other than gross misconduct.
- Reduction in the number of employment hours that causes the employee to lose coverage under the group health plan.

Qualifying events for **spouses** include:

- Termination of the covered employee’s employment for reasons other than gross misconduct.
- Reduction in the number of employment hours of the covered employee causing the loss of group coverage under the group health plan.
- Covered employee becoming eligible for Medicare.
- Divorce or legal separation from the covered employee.
- Death of the covered employee.

Qualifying events for **dependent children** are the same as for the spouse with one addition:

- Loss of dependent child status under the specific plan rules.

## Notification Requirement/ Election Period

COBRA guidelines lay out specific notification requirements for employers and qualified beneficiaries. The employer is obligated to notify qualified beneficiaries of their COBRA rights when a qualifying event occurs. Notice must be provided within 14 days of the employer receiving notice of a qualifying event.

COBRA guidelines indicate a qualified beneficiary has at least 60 days to elect COBRA from the date his/her coverage terminated **OR** the date notice is given to the employer of the qualifying event, whichever is later.\*\* Each qualified beneficiary has independent election rights and must return the election form to the employer within the 60-day period or the COBRA continuation option expires.

*\*\*Assurant Health requires notification of a qualifying event within 30 business days.*