



Client Update
COBRA
American Recovery and Reinvestment Act
March 23, 2009

On Thursday, March 19, 2009, the Department of Labor issued four Model Notices to assist group health plans, insurance carriers and individuals in complying with the American Recovery and Reinvestment Act.

The General Notice (Full version) must be sent to all qualified beneficiaries who experienced (or experience) a qualifying event between September 1, 2008 and December 31, 2009.

The General Notice (Abbreviated version) may be sent to individuals who experienced a qualifying event on or after September 1, 2008 and who elected, and still have, COBRA coverage. This version does not contain any COBRA election information since the individuals have already elected COBRA.

An Alternative Notice is available to insurance carriers that administer mini-COBRA plans, i.e., state statutes that mirror federal COBRA and provide continuation coverage to employees of companies with 2 – 19 employees.

The Notice in Connection with Extended Election Periods must be sent to any Assistance Eligible Individual (i.e., any employee or dependents who lost coverage because of an involuntary termination between September 1, 2008 and February 16, 2009) who either did not elect COBRA continuation coverage or who elected COBRA but no longer have such coverage.

An explanation page and the Model Notices are available at the Department of Labor's website. Go to www.dol.gov/ebsa/COBRAModelnotice.html.

For your convenience, this document is also attached in pdf format and is available on our website under Legislative Updates at <http://www.benemax.com/legislativeupdates.php>.

If you have further questions about the Act, please contact Walter Hiltz, Benemax's Compliance Officer, at 800-528-1530, ext.120.