

COBRA Continuation Coverage

The Preventive Care Plus Plan, High-Deductible Medical Plan, Group Hospital Indemnity Plans, Dental and Vision coverage are subject to federal COBRA continuation requirements. In general, this allows you to continue your insurance under the group policy for 18 months after you cease to be an active temporary professional (i.e., four weeks after the end of your most recent job assignment). If your dependent would lose coverage due to your death or divorce, or because he or she reaches the eligible dependent age limit, his or her coverage may be continued for up to 36 months.

If you haven't been paid by Robert Half for a period of four consecutive weeks, your coverage will be terminated, and you will be offered COBRA continuation, retroactive to the last day for which your premium has been paid. For information about COBRA continuation, contact The American Worker at 1.855.495.1192.

This notice contains important information about your right to continue your health care coverage in the plans listed above, as well as other health coverage alternatives that may be available to you through the Health Insurance Marketplace. Please read the information contained in this notice very carefully.

As qualified beneficiaries, you and/or your eligible dependents are entitled to continue the same medical, dental, vision, certain health FSAs and prescription drug group health benefits that you had on the day before the qualifying event provided that the company has not eliminated the policy or changed insurance carriers since the qualifying event. Additionally, you are also entitled to COBRA continuation coverage if you have other health care coverage (including entitlement to Medicare) prior to electing COBRA coverage.

Under COBRA, you have a 60-day election period during which you must inform your employer in writing that you want continuation coverage. This election period begins on the later of: (1) the date you lose coverage due to the qualifying event, or (2) the date you are provided your COBRA notification. If you are or become mentally or physically incapacitated during this election period, an appointed guardian or responsible party may elect and/or pay for COBRA continuation coverage on your behalf. If you choose COBRA continuation coverage, your election (or payment) is considered made on the date you send your election (or payment) to Fringe Benefit Group, Inc.

How long will continuation coverage last?

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued only for up to a total of 18 months unless you meet one of the conditions listed below. In the case of losses of coverage due to an employee's death, divorce or legal separation, the employee's becoming entitled to Medicare benefits or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement.

If you elect continuation coverage, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify Fringe Benefit Group, Inc. of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

Disability. An 11-month extension of coverage may be available if any of the qualified beneficiaries is determined under the Social Security Act (SSA) to be disabled. The disability has to have started at some time on or before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. Each qualified beneficiary who has elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. If the qualified beneficiary is determined to no longer be disabled under the SSA, you must notify Fringe Benefit Group, Inc. of that fact within 30 days after that determination.

Second Qualifying Event. An 18-month extension of coverage will be available to spouses and dependent children who elect continuation if a second qualifying event occurs during the first 18 months of continuation coverage. The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months. Such second qualifying events may include the death of a covered employee, divorce or legal separation from the covered employee, the covered employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under the Plan if the first qualifying event had not occurred. You must notify Fringe Benefit Group, Inc. within 60 days after a second qualifying event occurs if you want to extend your continuation coverage.

When does continuation coverage terminate?

Continuation coverage will terminate at the end of the maximum period listed above. However, it may also terminate before the end of the maximum period if:

- any required premium is not paid in full on time, or
- a qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any preexisting condition exclusion for a preexisting condition of the qualified beneficiary, (note, there are limitations on plans imposing a pre-existing condition exclusion and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act) or
- a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage (Note: If you are age 65 or over and receive or have applied for Social Security or qualify for Social Security at an earlier age due to a disabling condition you are considered to be entitled to Medicare), or
- If coverage was extended to 29 months due to a disability, coverage will cease if there is a determination that the individual is no longer disabled. In such case, coverage for all qualified beneficiaries will end with the first month beginning more than 30 days after the SSA determination or, if later, at the end of 18 months of continuation coverage. Please note: Federal law requires that you inform the plan administrator within 30 days of a final determination that the individual is no longer disabled, or
- If you request cancellation of COBRA Continuation Coverage in writing, or
- the employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving continuation.

Plan or Benefit

If you elect continuation coverage, you will receive the same level of benefits under the plan as similarly situated active employees. Plan benefits may be modified or amended during the period of continuation coverage, which may result in a change of premiums in accordance with federal COBRA regulations. As a qualified beneficiary, you are entitled to the same open enrollment rights as active employees. This includes HIPAA special enrollment rights such as adding coverage for newly acquired family members or when an eligible individual declines coverage due to alternative coverage and later loses such coverage due to certain qualifying reasons.

When and how must payment for COBRA continuation coverage be made?

First payment for continuation coverage

If you elect continuation coverage, you do not have to send any payment with the Election Form. However, you must make your first payment for continuation coverage not later than 45 days after the date of your election. If you do not make your first payment for continuation coverage in full not later than 45 days after the date of your election, you will lose all continuation coverage rights under the Plan. You are responsible for making sure that the amount of your first payment is correct.

Periodic payments for continuation coverage

After you make your first payment for continuation coverage, you will be required to make periodic payments for each subsequent coverage period. The periodic payments can be made on a monthly basis. Under the Plan, each of these periodic payments for continuation coverage is due on the 1st of the month for that coverage period. If you make a periodic payment on or before the first day of the coverage period to which it applies, your coverage under the Plan will continue for that coverage period without any break. The Plan will not send periodic notices of payments due for these coverage periods.

Grace periods for periodic payments

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days after the first day of the coverage period to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. However, if you pay a periodic payment later than the first day of the coverage period to which it applies, but before the end of the grace period for the coverage period, your coverage under the Plan will be suspended as of the first day of the coverage period and then retroactively reinstated (going back to the first day of the coverage period) when the periodic payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

If you fail to make a periodic payment before the end of the grace period for that coverage period, you will lose all rights to continuation coverage.

PLEASE NOTE THAT NOTIFICATION TO AN INDIVIDUAL WHO IS A QUALIFIED BENEFICIARY, AS THE SPOUSE OF A COVERED EMPLOYEE SHALL BE CONSIDERED NOTIFICATION TO ALL OTHER QUALIFIED BENEFICIARIES RESIDING WITH SUCH SPOUSE AT THE TIME SUCH NOTICE IS MADE.

How to Elect COBRA Continuation of Health Coverage

- Complete the Election Form and return it to us by mail.
- Pay the initial premium required for COBRA Continuation Coverage within forty-five (45) days of your COBRA election date. If the initial premium payment is not made by the indicated period and received by Fringe Benefit Group, Inc., you will forfeit your right to continuation coverage and there will be no reinstatement.
- Unless you expressly elect otherwise, the coverage to be continued will be that which you and/or your dependents (if any) had on the day before the qualifying event. However, please be aware that each qualified beneficiary has independent COBRA election rights.

IMPORTANT: The plan is required to make a complete response to any inquiry from a health care provider regarding your right to coverage under the plan during the election period. Similar requirements exist to provide the status of COBRA coverage inquiries made by health care providers during any applicable premium payment grace periods. If you elect the Continuation Coverage, the initial payment will cover the first period of continuation coverage beginning immediately after the date that your coverage under the group health plan ceased. You are responsible for making timely premium payments. Subsequent monthly premium payments are due and payable on the first day of each month of coverage. Pursuant to COBRA, a grace period is provided. Your continuation coverage will be terminated (without reinstatement) if your premium payment is not made by the end of the Election Period Expiration Date.