

IMPORTANT NOTICE - COBRA CONTINUATION

This notice contains important information about your right to continue your health care coverage.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, requires certain employers to offer continuation of group health coverage (COBRA continuation) to employees and dependents who are terminated from a group health plan, when certain qualifying events occur. A qualifying event causes you to lose your health coverage under the plan.

This notice is a summary of your rights and responsibilities under COBRA. It is important that you and your spouse take the time to read this notice carefully. The employer may hire a third party administrator to perform COBRA functions, such as providing notices, and billing and collecting premiums. Your employer will tell you if this applies. This notice does not fully describe continuation coverage or other rights under the plan. More complete information regarding such rights is available in the plan's Summary Plan Description, Certificate of Group Insurance or by contacting an Account Specialist at American Medical Security PO Box 19032 Green Bay, WI 54307 (800) 232-5432.

The COBRA administrator must provide you with this notice, when you first enroll in the group health plan, and when a qualifying event occurs. If dental, drug and vision benefits are provided with the group health plan, those benefits are included in the offer. However, life, accidental death, or any disability income insurance, are not included.

If you are covered by the group health plan on the day before a qualifying event occurs, you are a qualified beneficiary, except as noted below. A child born to or adopted by a former employee during a period of COBRA continuation is also a qualified beneficiary. Each qualified beneficiary has an independent right to elect continuation coverage. A parent or legal guardian may elect to continue coverage on behalf of any dependent children. The employee or the employee's spouse can elect continuation coverage on behalf of all of the qualified beneficiaries.

Each qualified beneficiary has a right to elect COBRA continuation due to these qualifying events:

QUALIFYING EVENTS

EMPLOYEE:	Termination of employment (except for gross misconduct) Reduction of work hours (such as due to a strike, layoff, full-time to part-time, or approved leave of absence other than under the Family Medical Leave Act)
SPOUSE:	Termination of an employee's employment (except for gross misconduct) Reduction of an employee's work hours (such as due to a strike, layoff, full-time to part-time, or approved leave of absence other than under the Family Medical Leave Act) Death of the employee Divorce or legal separation from the employee Employee becomes entitled to Medicare benefits (under Part A, Part B or both)
DEPENDENT:	Dependent child is no longer an eligible dependent as defined by the group health plan
CHILD:	Same qualifying events that apply to a spouse (see above list)

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, commencement of a proceeding in bankruptcy with respect to the employer or the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), the employer must notify the Plan Administrator of the qualifying event.

When a qualifying event (divorce, legal separation, or child's ceasing to be a dependent) occurs for a spouse or dependent child, you, or the spouse, or child, must notify in writing the COBRA administrator. Written notification must include the qualifying event and the date of the qualifying event. The COBRA administrator must receive the notice within 60 days from the later of: 1) the date of the qualifying event; or 2) the date when coverage under the group health plan terminates for the spouse or child.

When a qualifying event occurs, the COBRA administrator will provide this notice within 14 days from the date of the employee qualifying event, or within 14 days from the date when the COBRA administrator knows about the qualifying event for a spouse or child. The notice will be provided to the employee. If the employee's current or former spouse and any dependent children do not reside with the employee, a separate notice will be provided to those persons. In order to protect your family's rights, you should keep the COBRA administrator informed of any changes in the addresses of family members.

You have 60 days to elect or waive COBRA continuation. The 60 days starts from the later of: 1) the date the notice is provided to you, or 2) the date when coverage under the group health plan ends. An employee or spouse may make the election or waiver for all family members who reside at the same address. A parent or legal guardian may make the election for a minor child. A spouse or legal representative may make the election for an incapacitated person. If you do not send in the election form during the 60 days, your right to COBRA continuation ends. If you waive coverage, you may revoke the waiver before the end of the 60 days.

