



Name
Street
City, State, Zip Code

Date of Notification:
Loss of Coverage Date:

RE: NOTICE OF RIGHT OF EACH COVERED INDIVIDUAL TO ELECT GROUP HEALTH INSURANCE CONTINUATION COVERAGE

This notice applies to the following former plan participant(s) and coverage elections:

Dental Insurance Aetna Freedom of Choice

- **Name**

Please be advised that your group health insurance coverage with the University of Hartford will end on **August 31, 2011**, the last day of the month in which your active full-time employment ends. It is important that all covered individuals take the time to read this notice carefully and be familiar with its contents. It explains your rights to health benefits under the law. If you elect to continue your medical insurance and/or dental insurance, please indicate that by completing the enclosed insurance enrollment form(s) and return the completed form(s) to HRD in the envelope provided by **October 31, 2011**.

Loss of Health Coverage and Qualifying Event

Due to the termination of your group health coverage, any claims for services rendered after **August 31, 2011**, including prescription drug charges, will be denied. However, under provisions of federal COBRA law, termination of eligibility constitutes a qualifying event, which allows you the right to buy back group health insurance and continue coverage for a defined period of time after the loss of coverage date. Covered participant's continuation rights and obligations are detailed in this notification.

Individual Election Rights and Eligibility

Each individual listed above is a qualified beneficiary and has independent election rights to continuation of coverage. This means each individual can independently elect to continue coverage. Premium rates will be determined by the number of qualified beneficiaries electing to continue coverage. If elected, continuation coverage is available to qualified beneficiaries subject to their eligibility. The University of Hartford reserves the right to verify eligibility and/or terminate continuation coverage back to the original continuation effective date if it is determined you are ineligible or coverage was obtained through material misrepresentation of the facts.

Length of Continuation Coverage – 18 months

If elected and paid for, each qualified beneficiary has the right to continue coverage for a maximum of 18 months from the date of the qualifying event. In this case, continuation coverage can begin on **September 1, 2011** and can last until **February 28, 2013**. Three events, however, will extend continuation coverage beyond that date if applicable:

- Social Security Disability: The 18 months of continuation coverage will be extended for an additional 11 months of coverage, to a maximum of 29 months, for all qualified beneficiaries if the Social Security Administration determines a qualified beneficiary is disabled according to Title II or XVI of the Social Security Act on the date of the qualifying event or at any time during the first 60 days of continuation coverage. In the case of a newborn or adopted child that is added to a covered qualified beneficiary's continuation coverage, then the first 60 days of continuation coverage for the newborn or adopted child is measured from the date of the birth or the date of adoption. It is the qualified beneficiary's responsibility to obtain this determination from the Social Security Administration and provide a copy of this determination to HRD according to the below listed notification procedures within 60 days after the date of determination and before the original 18 months of continuation coverage expires. This notice can be made by any of the qualified beneficiaries. If these time frames are not complied with, then the additional 11-month extension of continuation coverage will not be provided. If coverage is extended to 29 months due to a Social Security disability, premiums will be raised to 150% of the applicable premium during the extended 11-month coverage period.

This extension applies separately to each qualified beneficiary. If the disabled qualified beneficiary chooses not to continue coverage, the other qualified beneficiaries are still eligible for the extension. If coverage is extended, and the disabled qualified beneficiary has elected the extension, then the applicable premium rate is 150% of the rate. If only non-disabled qualified beneficiaries extend coverage, the premium rate will remain at 102% of the rate. It is also the qualified beneficiary's responsibility to notify HRD within 30 days if a final determination has been made that they are no longer disabled.

- Secondary Qualifying Events: An extension of the original 18 months, or the above-mentioned 29 months, continuation period can also occur if, during the 18 or 29 months of continuation coverage, a second qualifying event occurs, such as a divorce, legal separation, death, Medicare entitlement or a dependent child ceasing to be a dependent. If a second event occurs during the original 18 or 29 months of continuation coverage, coverage will be extended to 36 months from the date of the original qualifying event date for eligible dependent qualified beneficiaries. It is the qualified beneficiary's responsibility to notify HRD according to the below listed notification procedures within 60 days of the second event and within the original 18 or 29 month continuation timeline. In no event, however, will continuation coverage last beyond 36 months from the date of the event that originally made the qualified beneficiary eligible for continuation coverage. Please note that a reduction in hours followed by a termination of employment is not a secondary event.
- Extension of Group Health Insurance Benefits for Qualified Beneficiaries Age 62 and Over – With the passing of Public Act No. 03-77, effective October 1, 2003, group health insurance plans are required to give individuals who terminate employment, take a leave of absence or reduce their hours because they become eligible to receive Social Security benefits with an option to extend their continuation coverage under the group health plan. This Act requires the Plan Administrator to offer continuation coverage to all qualified beneficiaries until midnight of the day preceding the former employee's eligibility for Medicare.

Consequences of Not Electing to Continue Your Group Health Insurance

In considering whether to elect continuation coverage, please note that failure to continue your group health coverage will affect future rights to this coverage under federal law. Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the length of time covered under the University's group health plan (including continuation coverage) may be used to reduce a new health plan's pre-existing condition period. However, for your coverage under the University's group health plan to be counted under a new health plan, there must not be a break in coverage for more than 63 days from the time the plan ceases (including continuation coverage) to the date of enrollment in the new health plan. Coverage under an individual policy may also count towards reducing a pre-existing condition period. Continuation coverage also provides protection from loss of

the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions if you do not maintain continuation coverage for the maximum time available to you.

In addition, continuation coverage provides special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

Electing Continuation Coverage

To initiate your continuation coverage rights, please complete the enclosed enrollment form and mail it, along with your check for the appropriate amount, in the self-addressed, stamped envelope provided.

Qualified beneficiaries will not be covered under the group health plan during this election period. If a health claim is submitted during this time, it will not be paid. In addition, if a medical provider calls for verification of benefits, he/she will be told that you currently do not have benefits. However, upon election and payment of applicable premium, all valid claims will be released for payment.

Retroactive Reinstatement of Health Insurance

If continuation coverage is elected, it will not be re-activated until you submit the appropriate enrollment forms and pay the premium amount. If an election to continue coverage is made and applicable premiums are paid as detailed in this notice, then your group health insurance coverage will be retroactively reinstated back to your loss of coverage date and any pending claims will be released for payment. However, it may take time for the paperwork to be processed by the insurance carrier and the coverage to be re-activated. If you receive medical services prior to reinstatement of your coverage, maintain copies of medical payment receipts and, upon reinstatement, submit the claims for payment under the plan provisions.

Premium Payments

If a qualified beneficiary elects to continue group health insurance, he/she is responsible for the full (100%) applicable premium payment for the coverage elected, plus a 2% administrative charge. The applicable premium includes both the employer and employee's share of the total premium. Monthly premium rates are determined on an annual basis. Therefore, you will be notified prior to new premium rates going into effect. Any person or entity can pay health insurance premium for a qualified beneficiary; however, it is the qualified beneficiary's responsibility to insure that the payment is made on a timely basis. If a third party agrees to pay your continuation coverage premium, it is highly recommended that you call each month to insure that a timely payment has been made.

Initial Premium Payment

A qualified beneficiary has a maximum of 45 calendar days from the date of election to pay the initial premium. This initial premium payment is for the retroactive coverage period from the date of loss of coverage to the date you elect continuation coverage.

If you take advantage of this 45-day premium payment period, additional monthly premiums will also be due with this initial payment. This additional premium would cover any monthly coverage periods that fall after the date of election but within the 45-day time period. This 45-day period is the maximum period in which to make the initial premium payments. You are responsible for insuring the amount of your first payment will cover the cost of this entire period. You may contact HRD to confirm the correct amount of your first payment.

Monthly Premiums

Once your initial payment is received, HRD will notify the Bursar's Office, which will then bill you directly on a monthly basis until the coverage period ends or you elect to terminate coverage. Please note that you will be billed two months in advance of the month in which your coverage begins. Failure to remit your full premium payment by the monthly due date will result in *immediate cancellation* of your coverage, with no reinstatement

allowed. Please make your check payable to the *University of Hartford*.

Health Coverage(s) Elections Available

University records indicate on the day before the qualifying event, each qualified beneficiary was covered by group plans as indicated on page one. Each qualified beneficiary can choose to continue any single coverage or a combination of the two in which he/she was formerly enrolled. The applicable premiums will vary depending on the coverage elected. Please note that the University reserves the right to make future changes to this coverage if modifications are made to the coverage(s) provided to active employees or during an open enrollment period.

New Dependents and Open Enrollments

During a period of continuation coverage, if a qualified beneficiary gains a new dependent (marriage, birth or adoption), the new dependent(s) may be added to the coverage according to the guidelines of the plan. However, the new dependent(s) does not gain the status of a qualified beneficiary and will lose coverage if the qualified beneficiary who added them to the plan loses coverage.

An exception to this is if the child is born to or a child is placed for adoption with the covered employee qualified beneficiary. If the newborn or adopted child is added to the covered employee's continuation coverage, then, unlike a new spouse, the newborn or adopted child will gain the rights of all other qualified beneficiaries. The addition of a newborn or adopted child does not extend the continuation coverage period. Plan procedures for adding new dependents can be found in the plan document. Premium rates will be adjusted at that time to reflect this change in coverage.

In addition, if an open enrollment period occurs during your continuation period, HRD will notify you and each qualified beneficiary will have independent election rights to select any of the options or plans that are available for similarly situated non-COBRA participants.

Cancellation of Continuation Coverage

The federal law provides that, if elected and paid for, your continuation coverage will be terminated prior to the maximum continuation period for any of the following reasons:

1. The University of Hartford ceases to provide any group health plan to any of its employees;
2. Any required premium for continuation coverage is not paid in a timely manner;
3. A qualified beneficiary becomes, after the date of the COBRA election, covered under another group health plan that does not contain any exclusion or limitation with respect to any pre-existing condition of such beneficiary other than such an exclusion or limitation which does not apply to or is satisfied by such beneficiary by reason of the HIPAA;
4. A qualified beneficiary becomes, after the date of the COBRA election, entitled to Medicare;
5. A qualified beneficiary extended continuation coverage to 29 months due to a Social Security Disability and a final determination has been made that the qualified beneficiary is no longer disabled;
6. A qualified beneficiary notifies HRD, in writing, that he/she wished to cancel continuation coverage; or
7. For cause, on the same basis that the plan terminates for cause, the coverage of similarly situated non-COBRA participants.

Important Requirement: If you become covered by another group health plan or become entitled to Medicare after electing to continue your group health insurance, you are required to notify HRD in writing at that time so a determination can be made as to your continued eligibility for the University's group health plan(s).

Certificate of Health Insurance Portability

HIPAA mandates that the University of Hartford provide individuals whose coverage terminates with a

Certification of Health Coverage form. Enclosed with this notice is your HIPAA certificate of coverage. You may need to furnish this certificate if you become eligible under a group health plan that excludes coverage for certain medical conditions that you have before you enroll. This certificate may need to be provided if medical advice, diagnosis, care or treatment was recommended or received for a condition within the six-month period prior to your enrollment in the new plan. If you become covered under another group health plan, check with your new Plan Administrator to see if you need to provide this certificate. You may also need this certificate to buy (for yourself and/or your family) an insurance policy that does not exclude coverage for medical conditions that are present before you enroll.

Address Change and Questions

To receive accurate and timely information regarding your continuation rights, please notify HRD of any change in address immediately by completing the enclosed Address Notification Form and mailing it to the address listed on the form. In addition, if there is a covered dependent whose legal residence is not yours, please provide written notification to HRD by using the Address Notification Form so notice can be sent to them as well.

Conversion Rights

Your group health plan does not contain an individual conversion option. However, for details regarding individual plan options, please contact Chris Monroe, the University's broker, at (860)882-1112 or cmonroe@constitutionag.com.

This notice is not a description of actual benefits under the policy. Should a qualified beneficiary need actual plan benefits information to assist in making an election decision, please consult your plan document. If you do not have a copy of the plan document, you can obtain one on-line at www.hartford.edu/hrd or request a copy from HRD.

If you have any questions concerning the information provided in this notice or your rights to health insurance continuation coverage, please contact HRD at (860) 768-4666 or at hrd@hartford.edu.

Sincerely,

Human Resources Specialist
Human Resources Development