



Questions? Call Customer Service at:
(800)888-6227

PO Box 3065
Fairfax, VA 22038-8022

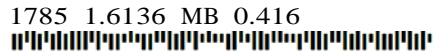
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Group # : XXX XX1 XXX

Active Location: LOCATION

COBRA Location : LOCATION

JOHN A. SMITH, Spouse 68
123 RIDGE ROAD
BALTIMORE, MD 21218

****COBRA CONTINUATION COVERAGE ELECTION NOTICE****

****NOTE: ALL INFORMATION CONTAINED IN THIS NOTICE IS SUBJECT TO VERIFICATION.****

Dear JOHN A. SMITH, Spouse and Dependent Children, as applicable:
123 RIDGE ROAD
BALTIMORE, MD 21218

This notice contains important information about your right to continue your health care coverage in ABC COMPANY's Group Health Plan (the Plan), as well as other health coverage alternatives that may be available to you including coverage through the Health Insurance Marketplace at www.HealthCare.gov or call 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. Please read the information contained in this notice carefully.

If you do not elect COBRA continuation coverage, your coverage under the Plan will end on 12/31/2016 due to TERMINATION .

Each person ('qualified beneficiary') listed below is entitled to elect COBRA continuation coverage, which will continue group health care coverage under the Plan for up to 18 months:

- Employee or former Employee: JOHN A. SMITH
- Spouse or former Spouse : SARA D SMITH
- Dependent Child(ren) : JANE M SMITH

If elected, COBRA continuation coverage will begin on 01/01/2017 and can last until 06/01/2018.

See the enclosed page titled 'Applicable Coverage/Rates' for the coverage that may be continued and the applicable monthly rates. You do not have to send any payment with the Election Form. However, your coverage will not be reinstated until the completed Election Form and premiums due are received and processed by our office. This process may take 7-10 days in some cases. Any claim(s) submitted for benefits may be denied and may have to be resubmitted once all premiums due have been paid and your coverage is reinstated. Important additional information about payment for COBRA continuation coverage is included in the pages following the Election Form.

Instead of enrolling in COBRA continuation coverage, there may be other more affordable coverage options for you and your family, through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a 'special enrollment period.' Some of the options may cost less than COBRA continuation coverage. You should compare your other coverage options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage you may pay more out of pocket than you would under COBRA because the new coverage may impose a new deductible. When you lose job-related health coverage, it's important that you choose carefully between COBRA continuation coverage and other coverage options because once you've made your choice, it can be difficult or impossible to switch to another coverage option. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll.

If any of the qualified beneficiaries listed above no longer lives at this address, please contact us immediately so that we may notify him/her of his/her COBRA continuation rights.

If you have questions about your rights to COBRA continuation coverage, you should contact:

CAREFIRST ADMINISTRATORS
P.O. Box 4050
Merrifield, VA 22116

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Group # XXX XX1 XXX

Active LOCATION

COBRA Location

LOCATION

(866) 945-9852 or (703) 934-6283



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Group # XXX XX1 XXX

Active LOCATION

COBRA Location

LOCATION



COBRA CONTINUATION COVERAGE ELECTION FORM

Subject Employee: JOHN A. SMITH

Qualified Beneficiary/ies: JOHN A. SMITH AND COVERED

DEPENDENTS

Group # CDD Active Loc: LOCATION COBRA Loc: LOCATION QE: TERMINATION QE Date: 12/31/2016 Extension Date:

/ /

INSTRUCTIONS: To elect COBRA continuation coverage, complete this Election Form and any applicable carrier forms and return it to us. Under federal law, you must have 60 days after the date of this notice to decide if you want to elect COBRA continuation coverage under the Plan. Read the important information about your rights included in the pages after the Election Form.

This form and any carrier forms must be completed and returned by mail. It must be post-marked no later than 08/13/2016. Make checks payable to CAREFIRST ADMINISTRATORS. Please include the participant's SSN/Participant ID on the check.

Send completed FORM and PAYMENT to:

CAREFIRST ADMINISTRATORS

P.O. BOX 4050

Merrifield, VA 22116

If you do not submit a completed Election Form by the due date shown above, you will lose your right to elect COBRA continuation coverage. If you reject COBRA continuation coverage before the due date, you may change your mind as long as you furnish a completed Election Form before the due date. However, if you change your mind after first rejecting COBRA continuation coverage, your COBRA continuation coverage will begin on the date you furnish the completed Election Form.

I (We) elect COBRA continuation coverage in the Plan as indicated below:

Qualified Beneficiary Name	Date of Birth	Sex	Relationship to Employee	SSN/Part. ID
a. _____	_____	_____	_____	_____
b. _____	_____	_____	_____	_____
c. _____	_____	_____	_____	_____
d. _____	_____	_____	_____	_____

Refer to the 'Applicable Coverage/Rates' page to list below the benefits that you wish to elect under COBRA.

Coverage	Plan	Enrollment Level	Monthly Rate
_____	_____	_____	\$
			\$
			\$

COVERAGE WILL NOT BE REINSTATED UNTIL THE COMPLETED FORM(S) AND INITIAL PAYMENT ARE RECEIVED AND PROCESSED BY OUR OFFICE.

To calculate the amount of your first check:

Month check is mailed:	Months you owe for:	Multiply monthly rate above by:
01/2017	01/2017 through 01/2017	1
02/2017	01/2017 through 02/2017	2
03/2017	01/2017 through 03/2017	3
04/2017	01/2017 through 04/2017	4

Signature _____ Date _____

Print Name _____ Relationship to individual(s) listed above _____

Print Address _____ Telephone Number _____

xx/xx/20xx

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Active LOCATION

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****IMPORTANT INFORMATION ABOUT YOUR COBRA CONTINUATION COVERAGE RIGHTS****

WHAT IS CONTINUATION COVERAGE?

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage when there is a 'qualifying event' that would result in a loss of coverage under an employer's plan. Depending on the type of qualifying event, 'qualified beneficiaries' can include the employee (or retired employee) covered under the group health plan, and the covered employee's spouse and dependent children.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including special enrollment rights.

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 up to a total of 18 months. In the case of loss of coverage due to an employee's death, divorce or legal separation, the employee's Medicare entitlement, or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued 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. This notice shows the maximum period of continuation coverage available to the qualified beneficiaries.

Continuation coverage will be terminated before the end of the maximum period:

- * if any required premium is not paid on time,
- * if a qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing 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),
- * if a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage,
- * if the employer ceases to provide any group health plan for its employees, or
- * for any reason the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

HOW CAN YOU EXTEND THE LENGTH OF CONTINUATION COVERAGE? (if your maximum period is less than 36months)

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 CAREFIRST ADMINISTRATORS of a disability or 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 by the Social Security Administration (SSA) to be disabled. The disability has to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. You must make sure that CAREFIRST ADMINISTRATORS is notified of the SSA's determination (Award Letter) within 60 days of the date of determination and before the end of the 18-month period of COBRA continuation coverage in order to extend your coverage. If this notice is not received by CAREFIRST ADMINISTRATORS on time, the extension will not be processed. 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 by the SSA to no longer be disabled, you must notify CAREFIRST ADMINISTRATORS of that fact within 30 days after the SSA's determination.

Second Qualifying Event

An 18-month extension of coverage will be available to spouses and dependent children who elect continuation coverage 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 separation from the covered employee, the covered employee's Medicare entitlement (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 CAREFIRST ADMINISTRATORS within 60 days after a second qualifying event occurs if you want to extend your continuation coverage.

HOW CAN YOU ELECT CONTINUATION COVERAGE?

To elect continuation coverage, you must complete the Election Form and furnish it according to the directions on the form. Each qualified beneficiary has a separate right to elect continuation coverage. For example, the employee's spouse may elect

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continuation coverage even if the employee does not. Continuation coverage may be elected for only one, several, or for a dependent children who are qualified beneficiaries. A parent 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.

In considering whether to elect continuation coverage, you should take into account that you have 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 (such as a plan sponsored by your spouse's employer) 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 for the maximum time available to you.

HOW MUCH DOES CONTINUATION COVERAGE COST?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period for each option is described on the page titled 'Applicable Coverage/Rates'.

WHEN AND HOW MUCH 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 payments 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. (This is the date the Election Form is post-marked, if mailed.) 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. You may contact CAREFIRST ADMINISTRATORS to confirm the correct amount of your first payment. Your first payment should cover the cost of continuation coverage from the time your coverage under the Plan would have otherwise terminated up to the time you make your first payment.

Regular payments for continuation coverage:

After you make your first payment for continuation coverage, you will be required to make regular payments for each subsequent coverage period. The current amount due for each coverage period for each qualified beneficiary is shown in this notice. The regular payments are to be made on a monthly basis. Under the Plan, each of these regular payments for continuation coverage is due on 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.

Grace periods for periodic payments:

Although regular payments are due on the date shown above, you will be given a grace period through the last day of the coverage month 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.

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

All payments for continuation of coverage should be sent to:

CAREFIRST ADMINISTRATORS
P.O. BOX 79921
BALTIMORE, MD 21279-0921
(866) 945-9852

A monthly premium payment invoice will be issued to you. You will be responsible for paying the full premium when due even if you do not receive a monthly invoice.

**** IMPORTANT INFORMATION ABOUT THE HEALTH INSURANCE MARKETPLACE ****

What is the Health Insurance Marketplace?

The Marketplace offers 'one-stop shopping' to find and compare private health insurance options. In the Marketplace you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance and copayments) right away, and you can see what your premium, deductibles and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you'll also learn if you qualify for fees or low-cost coverage from Medicaid or the Children's Health Insurance Program (CHIP). You can assess the Marketplace for your state at www.HealthCare.gov.

Coverage through the Health Insurance Marketplace may cost less than COBRA continuation coverage. Being offered COBRA

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continuation coverage won't limit your eligibility for coverage or for a tax credit through the Marketplace.

When can I enroll in Marketplace coverage?

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a 'special enrollment' event. After 60 days your special enrollment period will end and you may not be able to enroll, so you should take action right away. In addition, during what is called an 'open enrollment' period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit www.Healthcare.gov.

If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a 'special enrollment period.' But be careful though--if you terminate your COBRA continuation coverage early without another qualifying event, you'll have to wait to enroll in Marketplace coverage until the next open enrollment period, and could end up without any health coverage in the interim.

Once you've exhausted your COBRA continuation coverage and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage under any circumstances.

Can I enroll in another group health plan?

You may be eligible to enroll in coverage under another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage.

If you or your dependent chooses to elect COBRA continuation coverage instead of enrolling in another group health plan for which you're eligible, you'll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA continuation coverage.

What factors should I consider when choosing coverage options?

When considering your options for health coverage, you may want to think about:

- Premiums: Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace may be less expensive.
- Provider Networks: If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- Drug Formularies: If you're currently taking medication, a change in your health coverage may affect your costs for medication and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- Severance Payments: If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- Service Area: Some plans limit their benefits. You may want to see if your plan has a service or coverage area or other similar limitations.
- Other Cost-Sharing: In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and high copayments.

FOR MORE INFORMATION

This notice does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description (SPD) or from the Plan Administrator. If you have any questions concerning the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, you should contact:

CAREFIRST ADMINISTRATORS
P.O. Box 4050
Merrifield, VA 22116
(866) 945-9852

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Group # XXX XX1 XXX

Active LOCATION

COBRA Location

LOCATION

For more information about your rights under ERISA, including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at www.dol.gov/ebsa or call their toll-free number 1-866-444-3272.

For more information about health insurance options available through a Health Insurance Marketplace and to locate an assister in your area who you can talk to about the different options, visit www.healthcare.gov.

**KEEP US INFORMED OF ADDRESS AND FAMILY STATUS CHANGES**

In order to protect your family's rights, you should keep CAREFIRST ADMINISTRATORS informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any communications you send to the Plan administrator.

HEALTH FSA COMPONENT

If your employer's benefit plan also includes a Health FSA component, you may also be able to elect COBRA continuation coverage for the Health FSA component.

COBRA coverage under the Health FSA will be offered only to qualified beneficiaries losing coverage who have underspent accounts. A qualified beneficiary has an underspent account if the annual limit elected by the covered employee, reduced by the reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premiums for Health FSA COBRA that will be charged for the remainder of the plan year. COBRA coverage will consist of the Health FSA coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by reimbursable claims submitted up to the time of the qualifying event). The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and COBRA coverage will terminate at the end of the plan year.

Unless otherwise elected, all qualified beneficiaries who were covered under the Health FSA will be covered together for Health FSA COBRA coverage. However, each qualified beneficiary (the employee, employee's spouse and dependent children) could alternatively elect separate COBRA coverage to cover the beneficiary only, with a separate Health FSA annual limit and a separate premium.

If you elect Health FSA COBRA coverage, all contributions are submitted on an after-tax basis. In addition to your monthly after tax contribution, you will be charged a 2% COBRA administration fee and a separate fee for FSA administration.

If you are interested in electing COBRA continuation for your Health FSA, please contact CAREFIRST ADMINISTRATORS for more information.

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Group # XXX XX1 XXX
Active LOCATION
COBRA Location
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** APPLICABLE COVERAGE/RATES **

Group # : XXX XX1 XXX
Active Location:
LOCATION
COBRA Location :
LOCATION
XX1 XXX

Subject Employee: JOHN A. DOE Qualified Beneficiary/ies: JOHN A. DOE AND COVERED
DEPENDENTS

Please note that the rates shown below are subject to change. Please contact CAREFIRST ADMINISTRATORS at (866) 945-9852 or at (703) 934-6283 if you have any questions regarding eligibility or the amount of premium.

RATE	EFFECTIVE DATE	COVERAGE	PLAN	ENROLLMENT LEVEL	MONTHLY RATE
	01/01/2017	MEDICAL	XXXX11	P00 PARTICIPANT ONLY	\$ 548.10
	01/01/2017	MEDICAL	XXXX11	P01 PARTICIPANT+CHILD	\$ 994.17
	01/01/2017	MEDICAL	XXXX11	F00 PARTICIPANT+SPOUSE	\$ 994.17
	01/01/2017	MEDICAL	XXXX11	F99 FULL FAMILY	\$ 1440.23
	01/01/2017	DENTAL	XXXX1	P00 PARTICIPANT ONLY	\$ 34.26
	01/01/2017	DENTAL	XXXX1	F00 PARTICIPANT+SPOUSE	\$ 67.82
	01/01/2017	VISION	XXXX1	P00 PARTICIPANT ONLY	\$ 8.57
	01/01/2017	VISION	XXXX1	F00 PARTICIPANT+SPOUSE	\$ 14.74

Please complete and return all election/enrollment forms in this packet to:

CAREFIRST ADMINISTRATORS
P.O. Box 4050
Merrifield, VA 22116