

## IDA ADMINISTRATION OF COBRA FOR CLIENT COBRA PROCEDURE

Continuation of Coverage is available to all Covered Employees and Covered Dependents when a "qualifying event" may occur as defined below. It is the responsibility of the Covered Employee and/or Covered Dependent to notify the Plan Administrator of such a "qualifying event".

A "qualifying event" requiring notification includes:

a. For employees:

Termination of employment or reduction in hours of employment which makes the employee ineligible for benefits.

A divorce or legal separation

b. For spouses and/or dependent children:

The Covered Employee's termination of employment or reduction in hours of employment resulting in eligibility

The Covered Employee's death

A divorce or legal separation of a spouse

A Covered Employee's entitlement to Medicare

A child's loss of dependent status

All "qualifying event" information should be directed to the office designated by the Company (Client) to handle employee benefits. The Client in turn is to complete the necessary change forms, provide supportive documentation and include the Monthly Summary Report. This informational material is to be directed, forwarded and received as follows:

1. The Client is to forward original forms and documentation to IDA and all concerned parties, if applicable, with a reason for termination.

Please define as follows:

Name of Employee and Social Security Number

Employee Division for termination and Date of termination

Division eligible to continue Coverage

Forms: IDA Termination/COBRA Reporting Form or Enrollment Form/Change Form and Group Monthly Summary Report with above information.

2. Notification of termination is received by IDA from the client.
3. IDA terminates participants and generates a COBRA letter.
4. COBRA letter is sent to a participant (Certificate (Receipt) of Mailing) with an election form. Copies of COBRA notification are sent to the client monthly upon request. Otherwise copies are retained on file for future reference.
5. Forms are received electing or declining continuation of coverage under COBRA.

6. Upon **acceptance** of COBRA coverage:
  - a. The participant is enrolled in a COBRA division with coverage indicated.
  - b. Notification of election is sent to Accounting Department.
  - c. Monthly billing is established.
7. Upon **decline** of COBRA coverage:
  - a. The System is updated to reflect the participant's decline of COBRA coverage.
8. Copies of **acceptance** and **denial** of COBRA Coverage are sent monthly to Client and to other parties concerned, if applicable.
9. Once a month a report is generated to show any participant who has not responded to the COBRA notification letter in the time allowed. The System participant files are updated with termination dates.
10. The Client is sent a copy of a report monthly illustrating all information pertaining to COBRA including the COBRA participants who have elected and/or terminated COBRA continuance, as well as billing information, levels of coverage and COBRA continuation periods.