



Updated information about the March 31st COBRA Subsidy extension.

Gowrie Group is writing to inform you of the latest information we have received on the COBRA subsidy extension. The Temporary Extension Act of 2010 (TEA) signed on March 2, 2010, provides that an involuntary termination of employment is a qualifying event for purposes of ARRA if the involuntary termination:

- Occurs on or after March 2, 2010 and no later than March 31, 2010; and
- follows a qualifying event that was a reduction of hours that occurred at any time from September 1, 2008 through March 31, 2010.

There are 5 new related Model Notices:

1. Model Updated General Notice

The [Updated General Notice](#) must be provided to all qualified beneficiaries (not just covered employees) who experienced a qualifying event at any time from September 1, 2008 through March 31, 2010, regardless of the type of qualifying event, and who have not yet been provided an election notice. [Click here for the general notice.](#)

2. Model Notice of New Election Period

Plans subject to continuation coverage provisions under Federal or State law should provide, within 60 days of the date of the termination of employment, a [Notice of New Election Period](#) to all individuals who:

- Experienced a qualifying event that was a reduction in hours at any time from September 1, 2008 through March 31, 2010;
- subsequently experience a termination of employment at any point from March 2, 2010 through March 31, 2010; and
- either did not elect continuation coverage when it was first offered OR elected but subsequently discontinued the coverage.

Individuals who experience an involuntary termination of employment after experiencing a qualifying event that consists of a reduction of hours MUST be provided this notice within 60 days of the termination of employment. [Click here for the new election period notice.](#)

3. Model Supplemental Information Notice

Plans that are subject to continuation coverage provisions under Federal or State law should provide the [Supplemental Information Notice](#) to all individuals who elected and maintained continuation coverage based on the following qualifying events:

- Terminations of employment that occurred at some time on or after March 1, 2010 for which notice of the availability of the premium reduction available under ARRA was not given; or
- reductions of hours that occurred during the period from September 1, 2008 through March 31, 2010 which were followed by a termination of the employee's employment that occurred on or after March 2, 2010 and by March 31, 2010.

Individuals who experience an involuntary termination of employment after experiencing a qualifying event that consists of a reduction of hours MUST be provided this notice within 60 days of that termination. Individuals with qualifying events that occurred on or after March 1, 2010 for which notice of the availability of the premium reduction available under ARRA was not given MUST be provided this notice before the end of the required time period for providing a COBRA election notice. [Click here for the supplemental information notice.](#)

4. Model Notice of Extended Election Period

Plans that are subject to continuation coverage provisions under Federal or State law MUST provide, before the end of the required time period for providing a COBRA election notice, the [Notice of Extended Election Period](#) to all individuals who:

- Experienced a qualifying event that was a termination of employment at some time on or after March 1, 2010;
- were provided notice that did not inform them of their rights under ARRA, as amended by TEA; and
- either chose not to elect COBRA continuation coverage at that time OR elected COBRA but subsequently discontinued that coverage. [Click here for the extended election notice.](#)

5. Model Updated Alternative Notice

Insurance issuers that offer group health insurance coverage that is subject to comparable continuation coverage requirements imposed by State law must provide the [Alternative Notice](#) to ALL qualified beneficiaries, not just covered employees, who have experienced a qualifying event through March 31, 2010. However, because continuation coverage requirements vary among States it should be further modified to reflect the requirements of the applicable State law. Issuers of group health insurance coverage subject to this notice requirement should feel free to use the model Alternative Notice, the model Notice of New Election Period, the model Supplemental Information Notice, the model Notice of Extended Election Period, or the model General Notice (as appropriate). [Click here for the alternative notice](#)

At any time you can visit the [Department of Labor](#) website to view updated notices to help you comply with the recently passed legislation.

There has been indication from our carriers that the COBRA subsidy will be extended again in the future. We will continue to keep you posted. As always, please feel free to call our benefits team at 800.262.8911, or Michelle or me directly with any questions.

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Gowrie Group provides insurance, benefits, and financial services to individuals and businesses throughout the US, and specializes in customized business, home, auto, and marine insurance products and services. Gowrie's 100+ dedicated professionals are primarily located in the company's main offices in Westbrook CT, Darien CT, and Newport RI. For more information about Gowrie Group visit www.gowrie.com or call 800.262.8911.