

IMPORTANT INFORMATION ABOUT YOUR RIGHT TO COBRA CONTINUATION COVERAGE

IMPORTANT - Other important information about your rights is provided to you on the following pages. Continuation coverage is offered subject to your eligibility. UnitedHealthcare may terminate your continuation coverage retroactively if you are determined to be ineligible for coverage.

What is continuation coverage?

Federal Law requires that most group plans (including this plan) give employees and their families the opportunity to continue their benefit 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 event, Qualified Beneficiaries can include the employee (or retired employee) covered under the group health plan, the covered employee's spouse, and the dependent children of the covered employee. The covered employee, spouse, and dependent children who were covered the day before the qualifying event are considered Qualified Beneficiaries under the Plan.

Continuation coverage is the same coverage that is offered to other participants under the Plan who is not receiving continuation coverage. You will be able to continue with the same benefits you had the day before your qualifying event. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants covered under the Plan; this includes open enrollment and special enrollment rights. Specific information describing continuation coverage can be found in the Plan's summary plan description (SPD), which can be obtained by contacting the "Plan" owner.

What Plans am I eligible to continue?

You and any eligible family members are allowed to continue the Plan(s) you were covered by the day before your qualifying event.

Are there other coverage options besides COBRA Continuation Coverage?

Yes. 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 these options may cost less than COBRA continuation coverage.

How long will continuation coverage last?

In the case of a loss of coverage due to termination of employment or reduction in hours of employment, coverage may be continued for up to 18 months. In the case of loss of coverage due to an employee's death, divorce, or legal separation from the employee, the employee's enrollment in Medicare or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to 36 months.

Continuation coverage may also be terminated before the end of the maximum period if:

- For any reason the Plan would terminate coverage of a participant not receiving continuation coverage (such as fraud) or,
- Any required premium is not paid in full on time or,
- A qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan or,
- A qualified beneficiary first becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation of coverage or,
- The employer ceases to provide any group health plan for its employees or,

- You wish to voluntarily terminate your continuation coverage; the request must be submitted in writing to UnitedHealthcare.

If you or a qualified beneficiary becomes covered under another group health plan, entitled to Medicare, or recover from a disability, you must immediately (or within 30 days when you or the qualified beneficiary becomes entitled to Medicare) notify UnitedHealthcare at 1-866-747-0048.

How can you extend the length of continuation coverage?

If you elect continuation coverage, an extension of the 18-month coverage period may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify UnitedHealthcare of a disability or a 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, but such a revocation will result in prospective coverage that is effective as of the date the new or revised election is submitted.

Disability

An 11-month extension of coverage may be available if any of the qualified beneficiaries is disabled. The Social Security Administration (SSA) must determine that the qualified beneficiary was disabled at some time during the first 60 days of continuation coverage, and you must notify us of the fact within 60 days of the SSA's determination and before the end of the first 18 months of continuation coverage. All of the qualified beneficiaries who have elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. During the 11-month extension, you may be required to pay 150% of the premium. If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify us of the fact within 30 days of SSA's determination.

Second Qualifying Event

An 18-month extension of coverage will be available to spouses and dependent children who elect coverage if a second qualifying event occurs during the first 18 months of coverage. The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months. Such second qualifying events include the death of a covered employee, divorce or legal separation from the covered employee, the covered employee's Medicare entitlement (if it results in a loss of coverage), or a dependent child ceasing to be eligible for coverage as a dependent under the Plan. You must notify us within 60 days after any second qualifying event which may occur.

How can you elect continuation coverage?

You must decide to elect continuation coverage within 60 days from the later of the loss of coverage date, or the notification date of your rights. Each qualified beneficiary has an independent right to elect continuation coverage. For example, both the employee and the employee's spouse may elect continuation coverage, or only one of them. Parents may elect to continue coverage on behalf of their dependent children only. A qualified beneficiary must elect coverage by the date specified on the Election Agreement. Failure to do so will result in loss of the right to elect continuation coverage under the Plan. A qualified beneficiary may change a prior rejection of continuation coverage at any time during the 60-day election period.

In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage will affect your future rights under federal law. 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 you 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.

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% of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant who is not receiving continuation coverage. In the case of an extension of continuation coverage due to a disability, each qualified beneficiary may be required to pay up to 150% of the entire premium.

Monthly rates are renewed once a year and are based on your previous employer's renew period. At that time, your rates could be adjusted if the active rates are adjusted.

You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. You can learn more about the Marketplace below.

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 free or low-cost coverage from [Medicaid](#) or the [Children's Health Insurance Program \(CHIP\)](#). You can access 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 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.

More Information about individuals who may be qualified beneficiaries

- **Special enrollment rights under the Medical Plan** – There may be situations in which you can enroll your eligible dependents in COBRA continuation coverage, which are considered special enrollment events. These events include your marriage, the birth or adoption of a child, and, under some circumstances, your or your eligible dependent's loss of other health coverage. When a special enrollment event occurs, Federal law requires that eligible employees be permitted to elect coverage for themselves and their eligible dependents under the Medical Plan. This opportunity applies only to the Medical Plan and not to other benefit plans.
- **Alternate recipients under QMCSOs** – A child of the covered employee who is receiving benefits under the Health Plan pursuant to a qualified medical child support order (QMCSO) received by your employer during the covered employee's period of employment is entitled to the same rights to elect COBRA continuation coverage as an eligible dependent child of the covered employee.

Electing COBRA after Leave under the Family and Medical leave Act (FMLA)

Special COBRA rules apply if you take an FMLA leave and do not return to work. If you are covered under the Health Plan on the day before your FMLA begins, you and any covered eligible dependents are eligible for COBRA continuation coverage even if you do not continue coverage during your FMLA leave. Further, your COBRA continuation coverage period begins on the earlier of the last day of the month in which your FMLA leave ends or the last day of the month you unequivocally advise your employer that you do not intend to return to work.

Coverage under USERRA

If you lose coverage because you take a qualified military leave of absence, you and/or your dependents will be entitled to protection under either COBRA or the Uniformed Services Employment and Reemployment Rights Act ("USERRA"). When the requirements of COBRA and USERRA differ, you will receive protection under the law that gives you the greater benefit. Coverage under COBRA and USERRA run concurrently. For example, you cannot elect COBRA continuation coverage after receiving USERRA continuation coverage for the maximum coverage period. USERRA currently provides a maximum coverage period of 24 months. If you believe USERRA may apply to you, you may contact UnitedHealthcare at 1-866-747-0048 using the information in this notice.

Medicare

If you or your spouse are not age 65 and you do elect COBRA continuation coverage, upon Medicare entitlement, your COBRA will automatically be terminated. Those currently covered that have not reached 65 are allowed to continue on the COBRA until the end of their COBRA eligibility or they reach age 65.

If you or your spouse are age 65 or over and elect COBRA continuation coverage, Medicare is the primary payer. If you or a family member has Medicare based on a disability and COBRA continuation coverage, Medicare is the primary payer. However, if you or a family member has Medicare based on End Stage Renal Disease (ESRD), COBRA continuation coverage is the primary payer for a 30-month period and Medicare is the secondary payer.

Be advised, if an individual does not enroll in Medicare Part B and that individual incurs claims for outpatient services, the group medical plan will process these claims on a secondary basis (regardless of the fact there is no Medicare Part B primary coverage), the carrier will estimate the benefits Medicare "would have" paid if the individual had been enrolled in Medicare Part B. The result is the individual's out of pocket expense may be much higher than what is expected.

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 Areas:** Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your 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 higher copayments.

When and how must payment for continuation coverage be made?

First payment for continuation coverage (Initial Premium Payment)

If you elect continuation coverage, the initial premium payment must include full payment from the date you lost coverage under the Plan to the current month's premium payment. The actual amount of the premium required depends on the date coverage was lost and the date coverage is elected. Some insurance carriers will not reinstate your coverage until the initial premium is made, so you may send a check or money order for coverage elected with enclosed remittance slip or pay online. However, you do have 45 days from the date you elect continuation coverage to send the initial premium payment. If you do not make your first payment within those 45 days, you will lose all continuation rights under the Plan.

Periodic payments for continuation coverage

After you make your first payment for continuation coverage, you will be required to pay for continuation coverage for each subsequent month of coverage. Under the Plan, these periodic payments for continuation coverage are due on the first day of the month for which coverage is provided. We will send payment invoices indicating the premium amount and due date. If you do not receive the invoice, the premium is still due on the 1st of the month as indicated. You can see a copy of your invoice at <https://www.uhcservices.com>.

Grace periods for periodic payments

Although periodic payments are due on the first of the month, you will be given a grace period of 30 days 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. However, if you pay a periodic payment later than its due date but during its grace period, your coverage under the Plan may be suspended as of the due date and then retroactively reinstated back to the due date when the periodic payment is made. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

Note: To assure continued and uninterrupted coverage, you are responsible for making timely premium payments even if you do not receive monthly premium reminders. The past due amount can cause a suspension or termination of coverage until the payment is received.

In order to maintain eligibility under the group benefit plan(s), your payment must be received and postmarked no later than the coverage due date noted on each remittance coupon. ***Failure to remit payment prior to the coverage due date may result in a loss of coverage without the possibility of reinstatement.*** Your premium payment must be returned along with the remittance coupon for the payment period(s) you are paying. Please make your check payable to *UnitedHealthcare*. If you fail to make a periodic payment before the end of the grace period for that payment, you will lose all rights to continuation coverage under the Plan.

Your payments for continuation coverage should be made payable to *UnitedHealthcare* and sent to:

UnitedHealthcare
P.O. Box 713082
Cincinnati, OH 45271-3082

UnitedHealthcare offers you the ability to make premium payments through Electronic Funds Transfer (EFT) directly from your checking or savings account. If you decide to sign up for automatic withdrawals, they will **continue as the premiums come due** until either cancelled by submitting the request in writing or by canceling insurance coverage(s). To take advantage of this easy payment process, go to <https://www.uhcservices.com> to fill out the form and mail it to the address on the form.

UnitedHealthcare also offers you the option to make a one-time payment directly from your checking or savings account. To take advantage of this easy non-recurring payment process, go to <https://www.uhcservices.com> and click on the link to complete the banking information for your payment.

Keep your Plan Informed of Address Changes

In order to protect your family's rights, you should keep UnitedHealthcare and the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send.

UnitedHealthcare
P.O. Box 740221
Atlanta, GA 30374-0221
<https://www.uhcservices.com>

Customer Care Center
Toll Free: 1-866-747-0048 TTY 711
cobra_kyoperations@uhc.com

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 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:

UnitedHealthcare
P.O. Box 740221 Atlanta, GA
30374-0221
<https://www.uhcservices.com>

Customer Care Center
Toll Free: 1-866-747-0048 TTY 711
cobra_kyoperations@uhc.com

For more information about your rights under the Employee Retirement Income Security Act (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 at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace, and to locate an assister in your area who you can talk to about the different options, visit www.HealthCare.gov.