Please print on company letterhead

**XX/XX/XXXX**

**Insert employee (+ ‘family’ if dependents were also enrolled)**

**Insert employee address**

**City, State, Zip**

**Re: Notice of Right to Continue Your Group Health Coverage under New Jersey Continuation Law**

Dear **employee name (+ family if dependents were also enrolled)**:

You have been receiving group health insurance as an employee or dependent of an employee of company name indicated above; this coverage will terminate **xx/xx/xxxx** as a result of a qualifying event that entitles you, under New Jersey law, to continue your health coverage under your group policy for a limited period of time at your own expense, but at group rates. This letter and the enclosed Notice and Election Form contain important information about your right to continue group health coverage as well as other health coverage alternatives that may be available to you through the Health Insurance Marketplace. For more information about the Health Insurance Marketplace, visit 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 under NJ Continuation.

Please read this letter and the enclosed Notice and Election Form carefully. If you choose to elect continuation of your group coverage, you should use the enclosed Election Form. If you have any questions concerning this letter, the Notice, the Election Form, or your right to continued coverage, you should contact company name listed above.

**QUALIFYING EVENT**: ***INSERT***

**INDIVIDUAL(S) AFFECTED BY THE QUALIFYING EVENT (refer to as the "QUALIFIED BENEFICIARY(IES)")**: ***INSERT***

**PLAN AND COSTS (subject to change at renewal or when a plan change is made)**: ***INSERT***

**CONTINUATION COVERAGE PERIOD**: Qualified beneficiaries may elect to continue coverage under the group policy for up to **18 months** from the qualifying event.

**IMPORTANT DATES**:

Qualifying Event Date: ***INSERT***

Date Coverage Lost (and New Jersey Continuation Begins): ***INSERT***

Date New Jersey Continuation Coverage Expires: ***INSERT***

Date for Postmark or Receipt of Continuation Election: ***INSERT***

***IMPORTANT*** *- TO ELECT CONTINUATION COVERAGE UNDER NEW JERSEY LAW, YOU MUST COMPLETE THE ENCLOSED "ELECTION FORM" AND RETURN IT TO* ***COMPANY CONTACT NAME LISTED BELOW*** *THE COMPLETED ELECTION FORM MUST BE POST-MARKED OR OTHERWISE RECEIVED BY THE DATE SPECIFIED ABOVE (30 DAYS FROM THE DATE OF THE QUALIFYING EVENT OR LOSS OF COVERAGE DATE, WHICHEVER IS LATER). IF YOU DO NOT SUBMIT A COMPLETED ELECTION FORM BY THIS DATE, YOU WILL LOSE YOUR RIGHT TO ELECT CONTINUATION COVERAGE UNDER NEW JERSEY LAW.*

Your first premium for coverage is due within 30 days of your election of coverage. Ongoing monthly premiums are due as of the first day of the month. The premium amount is set forth on the attached fee schedule. All premiums should be sent to company name listed below at the below:

**TO CONTINUE YOUR GROUP MEDICAL COVERAGE:** You must complete, sign, and date this form, along with the carrier enrollment/change form for NJCC Status and have it postmarked for delivery to **Company Contact name and address listed below** within 30 days from the later of the date of your qualifying event or your actual loss of coverage date. **Y**ou will have up to 30 days from this form's postmark date to mail/provide your Initial Premium Payment, which must include payment in full for each coverage month, retroactively to the loss of coverage date that becomes due on or before the earlier of (1) the date that is 30 days from this election form's postmark date (this is called the Initial Premium Payment Grace Period) or (2) the postmark date of your Initial Premium Payment. Your Initial Premium Payment must be sufficient to pay for each month of retroactive coverage you desire. Your coverage will be reinstated only for months for which you have made payment in full.

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| --- |
| SUMMARY **New Jersey Continuation ELECTION -attach enrollment form as well** |

1. **Employee Name**: ***INSERT***
2. **Qualified Beneficiary(ies)**: ***INSERT***
3. **Home Address**: ***INSERT***
4. **Qualifying Event**: ***INSERT***
5. **Qualifying Event Date**: ***INSERT***
6. **Last Day of Current Coverage**: ***INSERT***
7. **First Day Without Coverage**: ***INSERT***
8. **NJ Continuation Notification Date**: ***INSERT***
9. **Total Coverage Months Available under NJ Continuation**: 18
10. **Last day to elect (postmark) NJ Continuation**: ***INSERT***

|  |
| --- |
| MONTHLY PREMIUMS |

**Group Medical Plan: insert plan name**

**Group Medical Monthly Premium(s): $X,XXX.XX *INSERT***

|  |
| --- |
| NJ CONTINUATION ELECTION FORM |

**Employee Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Email:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- | --- | --- |
| **List all members to insure**  (including employee if electing coverage) | **Date of Birth** | **Social Security No.** | **Group Medical Plan**  **YES or NO** |
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**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**IMPORTANT INFORMATION ABOUT NJ CONTINUATION AND YOUR COVERAGE RIGHTS**

**What is New Jersey continuation coverage?**

New Jersey law requires small employers that are not subject to the Consolidated Omnibus Budget Reconciliation Act (COBRA) to offer continuation of coverage to qualified beneficiaries covered under New Jersey small employer health benefit plans. Employees who are terminated or whose hours of employment are reduced to less than 25 hours per week have the option to continue coverage, at their own expense. Such employees may also select continuation coverage for their eligible dependents. A spouse and/or dependent child may continue coverage in the event of the death of the employee, divorce, or child ceasing to be an eligible dependent. These events are considered “qualifying events” if they cause a loss of coverage. Those individuals who are entitled to continue coverage are referred to as "qualified beneficiaries."

**Are there other coverage options besides Continuation Coverage?**

Yes. Instead of enrolling in 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 continuation coverage.

You should compare your other coverage options with 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 continuation coverage because the new coverage may impose a new deductible.

When you lose job-based health coverage, it's important that you choose carefully between 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.

**How long will my New Jersey continuation coverage last?**

The length of time for which coverage may be continued depends on the qualifying event. 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 a loss of coverage due to an employee's death, divorce or a dependent child's ceasing to be a dependent under the terms of the Plan, coverage may be continued for up to 36 months. A qualified beneficiary who is determined to have been disabled under the Social Security Act is eligible to continue coverage for up to 29 months.

To extend due to disability, 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 Cobra Control Services, LLC of that fact within 60 days of the SSA's determination and before the end of the first 18 months of continuation coverage.

A qualified beneficiary's continuation coverage will be terminated before the end of the maximum period if: any required premium is not paid on time, the qualified beneficiary becomes covered under another group health plan, the qualified beneficiary enrolls in Medicare, the employer ceases to provide any group health plan for its employees or, if coverage is being continued because of the special extended coverage period for disabled individuals, it is determined that the person is no longer disabled under the Social Security laws. If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify **Company Name** of that fact within 31 days of the SSA's determination.

**How do I elect continuation coverage?**

The employee, spouse or dependent child must make a written election for continued coverage using the enclosed election form within 30 days of the qualifying event. The election must be made by the date specified on the cover letter sent with this Notice. Failure to do so will result in loss of the right to elect continuation coverage under the Plan. For election purposes, “qualifying event” shall mean (a) the date of termination of employment, (b) the date on which a reduction in employee's hours of employment become effective, (c) the date of death of the employee, (d) the date of the divorce of the employee from the employee's spouse or (e) the date the dependent child ceases to be an eligible dependent.

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 if you get continuation coverage for the maximum time available to you.

Some insurance companies require New Jersey continuants to complete the insurance company's own applications. Upon receipt of the enclosed Election Form, you will be provided with any required applications for your insured benefits. You must also complete these forms and return them to **company name listed below**

**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% (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 rates for continuation coverage for qualified beneficiaries are set forth on the election form accompanying this Notice.

**When and how must I pay for continuation coverage?**

**First payment for continuation coverage**

If you elect continuation coverage, you do not have to send any payment for continuation coverage with the Election Form. However, you must make your first payment for continuation coverage within 30 days after the date of your election. (This is the date the Election Notice is post-marked, if mailed). If you do not make your first payment for continuation coverage within that 30 days, you will lose all continuation coverage rights under the Plan.

Your first payment must cover the cost of continuation coverage from the time your coverage under the Plan would have otherwise terminated up to the time you make the first payment. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. You may contact **Company name and contact listed below** to confirm the correct amount of your first payment.

Your election form and payment must be sent by REGULAR U.S. MAIL to **Company name and contact listed below**. The postmark on your letter will document proof of mailing.

**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. Your payments are due in full by the first of the month of coverage (example, premiums for coverage in July are due by July 1st). If you make a periodic payment on or before its due date, your coverage under the plan will continue for that coverage period without any break. The plan will not send periodic notices of payments due for these coverage periods.

**Grace periods for periodic payments**

Although periodic payments are due on the dates shown above, 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 for that payment.

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.

**You may also be able to get coverage through the Health Insurance Marketplace that costs less than 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 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.nj.gov/getcoverednj/getstarted/new/](http://www.nj.gov/getcoverednj/getstarted/new/) You can also **reach out to Sue or Lynne Clausen at 863-588-1615** for assistance.

Coverage through the Health Insurance Marketplace may cost less than continuation coverage. Being offered continuation coverage won't limit your eligibility for coverage or for a tax credit through the Marketplace.

**When can I enroll in Marketplace coverage?**

Losing your job-based health coverage is a “special enrollment” event. After your special enrollment period 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.nj.gov/getcoverednj/getstarted/new/](http://www.nj.gov/getcoverednj/getstarted/new/)

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

If you sign up for continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your 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 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 continuation coverage and the coverage expires, you will 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 continuation coverage, you cannot switch to 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 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 continuation coverage.

**What factors should I consider when choosing coverage options?**

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

**Premium:**

Your previous plan can charge up to 102% of total plan premiums for 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 continuation of coverage 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.

**How do I get more information?**

This notice doesn't fully describe continuation coverage or other rights under the Plan. More information is available from **COMPANY NAME, ADDRESS, CITY, STATE, ZIP, ATTN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ PHONE NUMBER: XXX-XXX-XXXX** and/or the New Jersey Department of Banking and Insurance at: 20 West State Street PO Box 470 Trenton, NJ 08625-0470