

The following information may be helpful in understanding the health insurance and life insurance options available to you if you lose or leave your job.

Health Insurance:

When you leave an employer group, insurance gets more expensive and more complicated. Generally, you will have two options under your group health insurance policy: (i) permanent conversion to an individual policy or, (ii) temporary continuation of the group benefits:

COBRA

Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) group health plans sponsored by employers with 20 or more employees are required to offer continuation of coverage for you and your dependents for 18 months. Under the same law, following an employee's death or divorce, the worker's family has the right to continue coverage for up to 36 months. If you wish to continue your group coverage under COBRA, you must notify your employer within 60 days. You must also pay the entire premium on a monthly basis, up to 102% of the cost of coverage.

WARNING: COBRA is complicated and this information is very general. Your employer's personnel office should have a booklet which explains in far more detail how COBRA works.

CONVERSION

Unless your employer is self-insured, you have the right to convert your group certificate to an individual policy under most circumstances. The advantage of doing so is that you may not have to pass a medical exam. The disadvantage is that benefits may be reduced and premiums may be higher even if you are in good health. If you do not know whether your plan is fully insured or self insured, ask your employer or benefits administrator.

There may other options available to you as well, depending upon your individual circumstances. You may be eligible for other coverage under the *Health Insurance Portability and Accountability Act*, or you may consider purchasing a short-term health insurance policy, if you are temporarily between jobs. Another option is to secure health insurance through an association.

Life Insurance:

Unless your employer is self-insured, you have the right to convert your group life insurance certificate to an individual life insurance policy in most circumstances, and subject to certain conditions. Similar to Health Insurance, the advantage to converting is that you will not have to pass a medical exam. The disadvantage is that premiums will likely be higher.

The Bureau of Insurance can assist you in understanding these options or direct you to the appropriate agency in the event you are or were covered under a self insured plan. Contact the Life and Health Consumer Services Section at 1-800-552-7945 (toll free) or 371-9691, (within the Richmond area).