



Initial Notice of COBRA Rights

To: _____

RE: COBRA continuation of coverage under Robbins Jorgensen Christopher Inc's group health and dental plans maintained by the Employer (the "Plan")

Federal law requires us as an employer sponsoring a group health plan to offer employees and their families the opportunity to elect a temporary extension of health coverage (called "continuation coverage" or "COBRA coverage") in certain instances where coverage under the Plan would otherwise end. You do not have to show that you are insurable to elect coverage. However, you have to pay the entire premium for your continuation coverage. At the end of the maximum coverage period (described below), you must be allowed to enroll in an individual conversion health plan, if it is otherwise available under the Plan.

This notice is intended to inform you, in a summary fashion, of your rights and obligations under the law. The law, however, is not clear on some points and is interpreted by federal agencies and the courts. Congress often changes the law. Therefore, this summary is subject to change, without notice, as interpretations or changes of the law occur. ***Both you and your spouse should read this summary carefully and keep it with your records.***

Qualifying Events

If you are the **employee** of the Employer covered by the Plan you have a right to elect this continuation coverage if you lose coverage under the Plan for any one of the following two "Qualifying Events":

1. Termination of your employment (for reasons other than your gross misconduct); or
2. Reduction in the hours of your employment, if such reduction causes you to no longer be eligible for coverage under the Plan.

If you are the **spouse** of an employee covered by the Plan, you have the right to elect continuation coverage if you lose coverage under the Plan for any of the following four "Qualifying Events":

1. The death of your spouse;
2. A termination of your spouse's employment (for reasons other than your gross misconduct); or a reduction in your spouse's hours of employment, if such reduction causes you to no longer be eligible for coverage under the Plan.
3. Divorce or legal separation from your spouse; or
4. Your spouse becomes entitled to Medicare benefits.

In the case of a **dependent child** of an employee covered by the Plan, he or she has the right to elect continuation coverage if group health coverage under the Plan is lost for any of the following five "Qualifying Events":

1. The death of employee parent;
2. A termination of your employee parent's employment (for reasons other than your gross misconduct); or a reduction in employee parent's hours of employment, if such reduction causes you to no longer be eligible for coverage under the Plan.
3. Parents' divorce or legal separation from your spouse; or
4. The employee parent becomes entitled to Medicare benefits; or

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5. The dependent ceases to be a “dependent child” under the plan.

Qualified Beneficiaries

Qualified Beneficiaries are limited to only the employee, spouse at the time of the initial Qualifying Event and dependent children covered by the Plan as of such event. However, any child born to or placed for adoption within a covered employee during a period of COBRA coverage will be eligible to become a Qualified Beneficiary upon proper notification to the Plan Administrator of the birth or adoption.

Notice and Election

When the Employer is notified that one of these Qualifying Events has occurred, it will notify the Plan Administrator, (if different from the Employer), and you and all Qualified Beneficiaries will be notified of your rights to choose continuation coverage.

Under the law, the employee or family member has the responsibility to notify the Employer of a divorce, legal separation or a child losing dependent status under the Plan. You or your family member must give this notice no later than 60 days after the day you would lose coverage because of one of the above Qualifying Events. If you fail to give this notice during the 60-day period, you will not be offered the option to elect continuation coverage.

A covered employee or the spouse of the covered employee may elect continuation coverage for all family members. The covered employee, his or her spouse and dependent children, however, each have an independent right to elect continuation coverage. Thus, a spouse or dependent child may elect continuation coverage even if the covered employee does not elect it.

Bankruptcy of Employer

COBRA continuation rights may also apply to certain retirees, spouses and dependent children if the Employer commences a bankruptcy proceeding and these individuals lose coverage.

Premium Payments

If you elect continuation coverage, the Employer must give you coverage that, as of the time coverage is provided, is identical to the coverage provided under the Employer’s Plan to similarly situated employees or family members. This means that if the coverage for similarly situated employees or family members is modified, your coverage will be modified. You will also have the same rights to change Plans or change covered dependents as active employees.

You must pay the premium payments for your “initial premium months” by the 15th day after you elect coverage. Your initial premium months are the months that end on or before the 15th day after you elect continuation coverage. All other premiums are due on the 1st of the month for which a premium is paid.

Maximum Coverage Periods

If your dependents lose group coverage because of the employee’s death, divorce, legal separation, or the employee’s becoming entitled to Medicare, or because you lose your status as a dependent under the Plan, the maximum coverage period is 36 months from the date coverage ends as a result of these qualifying events.

If you (and your dependents) lose group coverage because of a termination or reduction in hours of the employee’s employment, the maximum coverage period is 36 months from the date coverage ends as a result of these qualifying events. The first 18 months are available by reason of COBRA and the second 18 months are provided under Cal-COBRA. There are two exceptions to this rule (in either exception Cal-COBRA extends continuation coverage for the point COBRA ends to 36 months).