



State of New Mexico COBRA Notification

On April 7, 1986, a federal law was enacted [Public Law 99-272, Title X] requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This form is intended to inform you in a summary fashion, of your rights and obligations under the continuation coverage provisions of the new law. Both you and your spouse should take time to read this notice carefully.

If you are an employee of the State of New Mexico covered by Blue Cross Blue Shield, Presbyterian, Lovelace, Standard, Delta Dental, Vision Service Plan, or Hunt Dupree and Rhine for the Flexible Spending Account, you have the right to choose continuation of coverage for yourself if you lose group health coverage for any of the following reasons:

- Death of your spouse;
- Termination of your spouse's employment (for reason other than gross misconduct) or reduction in your spouse's hours of employment;
- Divorce or legal separation from your spouse; or
- Your spouse becomes entitled to Medicare.

In the case of a dependent child of an employee covered by any of the above mentioned plans, he or she has the right to continuation of coverage if group health coverage under any of the plans is lost for any of the following five reasons:

- death of a parent;
- termination of parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment with the State of New Mexico;
- parent's divorce or legal separation;
- parent becomes entitled to Medicare; or
- dependent child ceases to be a "dependent child" under the State of New Mexico eligibility rules.

Under the law, the employee or family member has the responsibility to inform the Human Resources Department or your agency group representative with the state of New Mexico if a divorce, legal separation, or child losing dependent status under the State of New Mexico, within 60 days of the date of the event or the date in which coverage would end under the plan because of the event, whichever is later. The state of New Mexico has the responsibility to notify the Plan Administrator of the employee's death, termination, reduction in hours of employment or Medicare entitlement.

When the Plan Administrator is notified that one of these events has happened, the Plan Administrator will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above, or the notice of your election rights is sent to you, whichever is later, to inform the Plan Administrator that you want continuation of coverage.

If you do not elect continuation of coverage, your group health insurance will end.

If you choose continuation coverage, the State of New Mexico is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. The new law requires that you be



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afforded the opportunity to maintain continuation for three (3) years unless you lost group health employment because of termination of employment or a reduction in hours. In that case the required continuation coverage period is 18 months. These 18 months may be extended to 36 months if other events (such as death, divorce, legal separation, or Medicare entitlement) occur during the 18-month period.

For more information, please contact CompuSys/Erisa Group Inc. at (800) 933-7472.

Employee Name: _____
(Print)

Employee Signature: _____

Date: _____

Cc: Personnel File