

INITIAL COBRA NOTIFICATION

All individuals covered under **ARLINGTON INDEPENDENT SCHOOL DISTRICT'S** Group Health Care Plan(s) (Employee, Spouse and dependent children, if able) should take the time to read this notice carefully and be familiar with its contents.

Under Federal law, **ARLINGTON INDEPENDENT SCHOOL DISTRICT** is required to offer covered employees and covered family members the opportunity for a temporary extension of health coverage (called "Continuation of Coverage") at group rates in certain instances where coverage under the plan would otherwise end due to certain qualifying events. This notice is intended to inform you and your covered dependents (if any) in a summary fashion of your potential rights and obligations under the continuation coverage provisions of the law.

Qualifying Events for Covered Employee - If you are an employee of **ARLINGTON INDEPENDENT SCHOOL DISTRICT** covered by **ARLINGTON INDEPENDENT SCHOOL DISTRICT'S** Group Health Care Plan(s), you have a right to choose this continuation of coverage if you lose your group health coverage because of reduction in your hours of employment or termination of your employment (for reasons other than gross misconduct on your part).

Qualifying Events or Covered Spouse - If you are the spouse of an employee covered by **ARLINGTON INDEPENDENT SCHOOL DISTRICT'S** Group Health Care Plan(s) and lose coverage for any of the following four reasons:

- (1) The death of your spouse;
- (2) A termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's employment with **ARLINGTON INDEPENDENT SCHOOL DISTRICT**;
- (3) Divorce or legal separation from your spouse; or
- (4) Your spouse becomes entitled to Medicare.

Qualifying Events for Covered Dependent Children - In the case of a dependent child of an employee covered by **ARLINGTON INDEPENDENT SCHOOL DISTRICTS** Group Health Care Plan(s), he or she has the right to continuation of coverage if group health coverage under the **ARLINGTON INDEPENDENT SCHOOL DISTRICT** Group Health Care Plan(s) is lost for any of the following five reasons:

- (1) The death of the employee of **ARLINGTON INDEPENDENT SCHOOL DISTRICT**
- (2) A termination of the employee's employment (for reasons other than gross misconduct) or reduction in the employees' hours of employment with **ARLINGTON INDEPENDENT SCHOOL DISTRICT**;
- (3) Parent's divorce or legal separation;
- (4) The employee of **ARLINGTON INDEPENDENT SCHOOL DISTRICT** becomes entitled to Medicare; or
- (5) The dependent child ceases to be a "dependent child" under **ARLINGTON INDEPENDENT SCHOOL DISTRICT'S** Group Health Care Plan(s).

Under the law, the employee or a family member has the responsibility to inform ARLINGTON INDEPENDENT SCHOOL DISTRICT of a divorce, legal separation or a child losing dependent status under ARLINGTON INDEPENDENT SCHOOL DISTRICT Group Health Care Plan(s) within 60 days of the date of the event. ARLINGTON INDEPENDENT SCHOOL DISTRICT has the responsibility to notify the Plan Administrator of the employee's death, termination, reduction in hours of employment or Medicare entitlement. Similar rights may apply to certain retirees, spouses and dependent children if your employer commences a bankruptcy proceeding and these individuals lose coverage.

When the Plan Administrator is notified that a qualifying event has occurred, the Plan Administrator will in turn notify covered individuals (qualified beneficiaries) of their right to elect continuation coverage. Each qualified beneficiary has independent election rights and has 60 days from the later of the date coverage is lost under the **ARLINGTON INDEPENDENT SCHOOL DISTRICT** Group Health Care Plan(s), or from the date of notification to elect continuation coverage. This is the maximum period allowed to elect COBRA as the plan does not provide an extension of the election period beyond what is required by law. **If qualified beneficiary does not elect continuation of coverage within this election period, all rights to continue health insurance end.**

If you choose continuation of coverage, **ARLINGTON INDEPENDENT SCHOOL DISTRICT** 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 law requires that you be afforded the opportunity to maintain continuation coverage for 3 years unless you lost group health coverage because of a termination of employment or 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 a death, divorce, legal separation, or Medicare entitlement) occur during that 18 month period. In no event will continuation coverage last beyond 36 months from the date of the event that originally made a qualified beneficiary eligible to elect coverage.

The 18 months may be extended to 29 months if an individual is determined by the Social Security Administration to be disabled (for Social Security disability purposes) at any time during the first 60 days of COBRA coverage and the Plan Administrator is notified of that determination within 60 days of the date the individual is determined to be disabled and before the end of the 11-month period. The affected individual must also notify the Plan Administrator within 30 days of any final determination that the individual is no longer disabled. This 11-month extension is available to all individuals who are qualified beneficiaries due to a termination or reduction in hours of employment.

A child who is born to or placed for adoption with the covered employee during a period of **COBRA** coverage is eligible to become a qualified beneficiary. In accordance with the **ARLINGTON INDEPENDENT SCHOOL DISTRICT'S** Group Health Care Plan(s), and the requirements of Federal law, these qualified beneficiaries can be added to COBRA coverage upon proper notification of the Plan Administrator of the birth or adoption.

The law also provides that continuation coverage may end for any of the following reasons:

- (1) **ARLINGTON INDEPENDENT SCHOOL DISTRICT** no longer provides group health coverage to any of its employees;
- (2) The premium for continuation coverage is not paid on time;
- (3) A qualified beneficiary becomes covered under another group health plan, after the date of the qualified beneficiary COBRA election that does not contain any exclusion or limitation with respect to any pre-existing conditions such qualified beneficiary may have;
- (4) A qualified beneficiary becomes entitled to Medicare. After the date a like qualified beneficiary's COBRA election.
- (5) A qualified beneficiary extends coverage for up to 29 months due to Social Security disability and a final determination has been made that the qualified beneficiary is no longer disabled.

You do not have to show that you are insurable to choose continuation of coverage. However, continuation coverage under COBRA is provided subject to your eligibility for coverage. ARLINGTON INDEPENDENT SCHOOL DISTRICT reserves the right to terminate your COBRA coverage retroactively if you are determined ineligible.

Under the law, you may have to pay all or part of the premium for your continuation coverage. There is a grace period of at least 30 days for payment of the regularly scheduled premium. The law also says that at the end of the 18 month or 3 year continuation coverage period, you must be allowed to enroll in an individual conversion health plan if it is provided under ARLINGTON INDEPENDENT SCHOOL DISTRICT Group HealthCare Plan(s).

If you have any questions about the COBRA law, please contact ARLINGTON INDEPENDENT SCHOOL DISTRICT, 1203 West Pioneer Parkway, Arlington. TX 76013-6246. If you have changed marital status, or you or your, spouse have changed addresses please notify ARLINGTON INDEPENDENT SCHOOL DISTRICT at the above address.