

**We all know that when an employee terminates, he should be offered COBRA.  
Beyond that, it starts to get complicated.**

**Q. What situations require that COBRA be offered?**

Employees and their covered dependents should receive an election notice offering COBRA coverage anytime they lose plan coverage due to one of seven specified “triggering events.” Not all losses of coverage are due to a triggering event, and not all triggering events cause a loss of coverage. When both occur, you have a **Qualifying Event**.

**Triggering Event + Loss of Coverage = Qualifying Event**

When you have a Qualifying Event, COBRA must be offered.

**Q. What are the seven types of triggering events?**

COBRA law specifies seven specific triggering events:

1. Termination of employment
2. Reduction in hours
3. Death of employee
4. Divorce or legal separation from employee
5. Ceasing to be a dependent child under the terms of the plan
6. Employee becoming entitled to Medicare
7. Employer bankruptcy

**Q. How is COBRA offered?**

Anytime a Qualifying Event occurs, a COBRA **Election Notice** must be sent to the individuals (employee, spouse or dependents) who lost coverage. These individuals are referred to as **Qualified Beneficiaries**. The Department of Labor specifies various elements that must be included in the COBRA Election Notice, but essentially it notifies a Qualified Beneficiary of his or her COBRA rights, including how and when COBRA coverage may be elected.

**Q. Why is the Election Notice so important?**

No step in the COBRA administration process is more critical than providing the Election Notice in a timely fashion. It’s not only required by law, but it also marks the start of a 60-day window within which the Qualified Beneficiary must choose to elect coverage or lose the right to coverage. If the Election Notice is not sent, or if it is delayed, Qualified Beneficiaries may be able to retroactively elect COBRA well after the normal deadline. That can leave the employer on the hook for reinstating coverage, or even covering medical expenses.

**Q. How do we notify BPC when someone experiences a Qualifying Event?**

BPC will send compliant election notices whenever needed, track election deadlines, answer participant questions, and (when someone does elect coverage) collect premiums and reinstate coverage. Whenever an employee, spouse or dependent experiences a Qualifying Event, you can notify BPC by completing the Termination Template and uploading it via BPC’s secure website. In some cases, BPC may also be able to coordinate with your payroll vendor or health insurance to receive some or all Election Notice information automatically.

**For more information, contact BPC today!**