

HEALTH INSURANCE

WHAT HAPPENS TO MY COVERAGE IF I LOSE MY JOB?

Continuation of coverage — SECTION 38-71-770

SECTION 38-71-770 requires that group policies providing hospital surgical, or major medical expense insurance coverage, or any combination of these coverages, provide continuation of coverage to employees or members who lost coverage under the group policy for any reason (other than nonpayment of premium) may continue coverage for the fractional policy month remaining plus six months.

Individuals Eligible for Continuation of Coverage.

Continuation is extended to those classes of individuals who were entitled to continuation and conversion under the statute as previously written. Therefore, the continuation privilege extends to (1) employees and members who lose coverage under the group policy (2) dependents who lose coverage upon reaching the limiting age (3) spouses and children who lose coverage by death of the employee or member and (4) spouses and children who lose coverage as the result of ceasing to be qualified as a family member (divorce). If there are instances in which coverage is lost by an individual who does not fit in any of the categories listed above, the Department urges that continuation of coverage nonetheless be offered and that "employee or member" be construed broadly to cover any individual who was covered under the group policy. As with the prior statute, individuals eligible for other group coverage with similar benefits or those eligible for Medicare are not entitled to continuation of coverage. In addition, continuation of coverage is not provided by this statute if the individual who loses coverage is eligible for continuation of coverage under federal law for a period in excess of six months.

Conditions of Eligibility for Continuation.

The six-month continuation of coverage provision applies only to employees and members, or other eligible classes of individuals discussed above, who have been covered under the group policy for at least six months. The full premium for the coverage must be paid by the individual before the date each month that the group policy begins. Continuation of coverage applies only if the group policy or a successor policy remains in force. A successor policy is one with an effective date sixty-two (62) days or less after the date of the termination of coverage by the prior insurer. Therefore, if a group policy replacement occurs and individuals who were insured under the prior policy for at least six months lose coverage, the successor insurer must provide six months continuation of coverage to those individuals.

Notification of Continuation Privilege.

SECTION 38-71-770, as amended, continues to require that the employer advise the employee of his right to continuation, of the amount of the premium required for such coverage and of his responsibility to timely pay the premium. Each certificate of coverage must contain a notification of the privilege to continue coverage. Although not required, the employer may give written notice to you of your right to continue your group health policy.

If you elect State Continuation.

