

- MODEL - EXPIRATION OF PREMIUM SUBSIDY

(Date)

(Matt and Robbin Isbell and all covered dependents)
123 Main Street
Hometown, Michigan 49008

IMPORTANT NOTICE REGARDING EXPIRATION OF YOUR GROUP HEALTH INSURANCE PREMIUM SUBSIDY AND NEW REQUIREMENT TO PAY FULL PREMIUM

This notice regarding expiration of your group health insurance premium subsidy applies to the following plan participants: **Matt Isbell, Robbin Isbell, Peter Isbell and Molly Isbell.**

Expiration Of Your Group Health Insurance Premium Subsidy

Due to the qualifying event of involuntary termination of employment, you have been continuing your group health insurance with the (ABC Company) for the past eight months. As approved in your original election, you qualified for a reduced group health insurance premium of 35% of the full 102% of the premium with the (ABC Company) paying the additional 65%. The maximum period allowed for this reduced premium payment is for the first nine months of your continuation coverage. Please be advised that your last month of reduced payment is for your November, 2009 premium.

Full 102% Health Insurance Premium Required Starting With Your December, 2009 Premium Payment

Starting with your December, 2009 monthly payment, to continue your group health insurance you are required to pay the full 102% of the premium. Based upon your election and current coverage, the full premium is listed below.

Current 35% Premium Payment: \$357.00

Full 102% Premium Payment Required For December, 2009: \$1,020.00

As you are not billed for your continuation coverage, this will be your only notice regarding your requirement to pay the full premium. Please take time to once again review your premium responsibilities.

1. You do not receive a monthly billing.
2. Your full group health insurance premiums are due on the first of each month.
3. If not paid by the first of each month, you are provided a maximum 30-day grace period.
4. **NO LATE PREMIUMS ARE ACCEPTED.**
5. If you fail to pay the full premium, your health insurance will be cancelled and you will not be reinstated.
6. The applicable premium rates are valid through (December 31, 2009).
7. As (January 1, 2010) is the group health plan renewal date, your premium rates may be adjusted on that date as well. You will be notified of the new applicable premium rates as soon as possible.

Your Requirement To Notify Third Party Premium Payors

If a third party has been paying your reduced continuation coverage premium on your behalf, **IT IS YOUR RESPONSIBILITY TO NOTIFY THE THIRD PARTY OF THE REQUIREMENT TO PAY THE FULL 102% PREMIUM.** A failure on the part of the third party to pay the required premium as indicated above, will be considered a failure on your part to pay the required premium and your health insurance will be cancelled with no reinstatement rights.

Questions?

Should any of you have a question regarding your premium requirements, or a qualified beneficiary wishes to cancel continuation coverage, please contact the benefits department at (555-5555) for options and applicable premium rates for remaining qualified beneficiaries.

Copyright © 2009 COBRA Resources, Inc.

These written materials should not be construed as constituting legal advice and are only intended for use in conjunction with this seminar. Certain statutes, regulations, etc. may be amended or overruled following a course presentation and/or purchase of these materials. Consultation with your legal professional before and in conjunction with the use of these materials is recommended.