



Cook & Associates Insurance Brokers, Inc.

Are You COBRA Compliant?

As you may know, the Department of Labor continues to “tinker” with the COBRA regulations and these changes can become more and more of a headache to you. Remember, COBRA is an **“Employer law, not an Insurance law.”**



Are you aware of and in compliance with the new DOL requirements for plans effective on or after November 25, 2004?

- ◆ Employers are required to provide revised language, including HIPPA information, in their General Notice to new hires and their spouses.
- ◆ The COBRA Continuation Coverage Election notice must also include revised language as outlined by the DOL.
- ◆ The Plan Administrator is now required to notify an employee with a letter of “unavailability” if COBRA will not be offered after a qualifying event.
- ◆ Employers must notify COBRA participants of their termination in the plan.

The above mandates are required for COBRA compliance. The technical guidance, amendments and ongoing administration required for COBRA compliance include, but are not limited to the following:

- ◆ Tracking up to 38 possible COBRA deadlines per qualified beneficiary.
- ◆ Knowing what percent of premiums paid is considered to be acceptable.
- ◆ Following the Social Security Disability guidelines, knowing how long the extension is and what percentage of premium is allowable.
- ◆ Utilizing acceptable procedures regarding COBRA premium payments returned for insufficient funds.

The burdens associated with COBRA administration are numerous. The penalties and liabilities of COBRA violations can be significant— as much as \$500,000. Fines of \$50,000 have occurred for many employers. Maintaining knowledge of continuous changes can be time consuming. In addition, dealing with disgruntled employees is an unpleasant experience. Outsourcing COBRA administration will save time, money and aggravation.



Introducing

COBRA Compliance

*COBRA
Administration Services*

Many of you have requested help concerning this employer law. We now have a solid system that will relieve you of this burden.

Cook & Associates is pleased to announce that we now offer full-service COBRA administration to all clients who are subject to COBRA.

If you are interested in finding out more about how we can help you help yourself with this multi-faceted federal law and relieve you and your company of notification and compliance issues, please call:

**Cook
&
Associates**

**303-861-5100
or
1-800-285-7643**