



CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT

SIMPLY
100% COBRA COMPLIANCE.



Employee
Benefits
Corporation

COBRASecureSM in 60 seconds

COBRASecure helps
employers
reduce business
overhead
and streamline HR
administration.

It takes Employee Benefits Corporation 1-2 weeks to implement COBRASecure once we receive a completed COBRASecure Service Agreement and HIPAA Business Associate Agreement.

There are 5 steps to fully implementing the plan.

Step 1

The client completes our COBRASecure Service Agreement and a HIPAA Business Associate agreement then submits them to Employee Benefits Corporation

Step 2

Once the completed agreements are received and reviewed, COBRASecure Administration sets up and implements services

Step 3

Employee Benefits Corporation sends to the employer a welcome packet, which includes a copy of the signed COBRASecure Service Agreement, a copy of the signed Business Associate Agreement, and a COBRASecure Answer Book and notification forms

Step 4

If applicable, the employer completes and returns Participant Takeover Forms and blanket Initial Notices to Employee Benefits Corporation administration as soon as possible

Step 5

The employer contacts Employee Benefits Corporation with questions as they arise

What is COBRASecure?

COBRASecure manages the collection and payment of premiums for group health plans that have been extended to employees and their families through the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985.

How does COBRASecure work?

Employers notify their health insurance carriers and Employee Benefits Corporation when their employees or their employees' spouses or dependents lose insurance coverage due to a COBRA qualifying event. We outline for the individual his or her COBRA rights and responsibilities, collect monthly premiums, send disbursement checks and activity reports to the employer, and notify carriers.

How does COBRASecure benefit employers?

COBRASecure ensures 100% compliance with all COBRA regulations and, in turn, minimizes potential liability. COBRASecure also reduces business overhead, helps to streamline HR administration and frees staff from having to meet COBRA deadlines and monitor ongoing COBRA compliance changes.

What services are included with COBRASecure?

- Initial COBRA notices sent to newly eligible employees
- Takeover COBRA continuants
- Issue COBRA qualifying event notices
- Issue premium notices
- Manage and collect premiums
- Make payments and issue monthly reports to employer
- Notify continuants of premium rate changes
- Maintain a complete documents archive
- Monitor all COBRA time lines

How long does it take to set up COBRASecure?

It takes us 1-2 weeks to implement COBRASecure once we receive a completed COBRASecure Service Agreement and HIPAA Business Associate Agreement.

COBRASecureSM is simply 100% compliance.



When Acme Widgets hired its 20th full-time employee, it suddenly stood face to face with the dense, detailed regulations that a COBRA-qualifying company encounters.

But Acme's human resources department didn't want the newly applicable COBRA rules to muddle its operations. Instead of risking penalties and having employees spend days learning new materials, Acme Widgets implemented COBRASecure.

The true utility of the program gleamed when Acme eventually terminated an employee of six years, Bruce. The hassle was minimal. All the company had to do was let their applicable health carriers carrier and Employee Benefits Corporation know that Bruce was terminated and, once Bruce accepted continuation coverage, keep an eye out for disbursement checks and activity reports.

Acme didn't have to worry about the daily accumulation of monetary COBRA fees or the liability and stringent time lines that come with COBRA.

COBRASecure took care of it.

The program stabilized and comforted Bruce during a tumultuous time and it gave Acme Widgets peace of mind.

While situations like Bruce's are common for employers, they can be problematic amongst a sea of evolving COBRA regulations. COBRASecure makes these situations easier to handle. For 20 employees or 2,000, it manages the notices and premium collections and, at the same time, guarantees compliance. It saves employers time and protects them from damaging penalties.

Employee Benefits Corporation's
COBRASecure ensures that **all** your
COBRA **requirements are met** and
that your company is in compliance with
every new regulatory change.

Why choose Employee Benefits Corporation?

We strive to exceed customer expectations and, using our vision, our technology and our people, can ensure the success of benefits programs.

Employee Benefits Corporation is employee-owned. As owners, the priority of each of our team members is to contribute to our customers' success. We do this by sharing a wealth of technical expertise, providing exceptional administration services and exercising creative plan design.

Every day, our professional, in-house Client Services Team efficiently answers hundreds of questions from participants who want to use their benefit programs effectively. Working with employers throughout the United States, our Client Liaisons share their knowledge and experience so our clients' plans are managed accurately, compliant with all regulations and of maximum value to all participants.

Our Sales Team is comprised of benefits experts, whose experience makes the difference between difficult-to-manage plans with little benefit and well-designed plans that offer real value to both employers and their participants.

How COBRASecure works

The Consolidated Omnibus Budget Reconciliation Act of 1985

The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 requires that most businesses that sponsor group health plans offer their employees and employees' families a temporary extension of health coverage at group rates where coverage under their plan would otherwise end. When businesses outsource COBRA administration to Employee Benefits Corporation, we collect premiums and manage premium collections, disburse payments to employers, administer notifications, maintain an up-to-date document archive and ensure 100% compliance with all COBRA requirements.

Companies that are subject to COBRA

If a company had 20 or more employees working on 50% of its typical business days during the preceding calendar year, that company falls within the parameters of a COBRA-qualifying company and must comply with COBRA regulations. The only exceptions are the Federal Government and church-controlled plans as defined by Section 414(e) of the Internal Revenue Code.

Employees that are protected by COBRA

COBRA protects any individual who was covered under his or her company's health plan the day before any COBRA qualifying event (such as termination) occurred. This includes covered employees, their spouses and their dependents; children born to or adopted by a covered employee after COBRA has been elected; and individuals who were wrongfully denied coverage under the company's health plan.

COBRASecure administration

Notifications and notices

Notifications

Over 50% of the current court cases involving COBRA compliance come from improper notification content, incorrect issuance or failure to provide a notice. Many employers mistakenly believe that their health insurance carrier provides the initial notice or that they have covered their obligation by only providing a statement in their employee handbook. This is not the case.

Employee Benefits Corporation sends out initial notices

An initial notice must be provided to all employees when they enroll in their employer's health plan or when an employee experiences a qualifying event. COBRASecure features

include mailing this initial notice to newly enrolled employees, spouses and their qualified beneficiaries. The initial notice outlines employee and employer responsibilities in the case of a COBRA qualifying event.

To ensure that they are properly mailed, Employee Benefits Corporation sends initial notices by certificate of mailing. We consider this initial notice process to be the foundation of our COBRASecure program.

Employee Benefits Corporation issues qualifying event notices

We notify all qualified beneficiaries when a COBRA qualifying event occurs. This notification

is sent by certificate of mailing to the qualified beneficiary and in accordance with all federal COBRA laws. The notification contains a COBRA election form and payment information, as well as our phone number in case questions arise.

Group Health Plan: Plans under ERISA that provide medical care and are maintained by the employer for their employees and dependents. This includes, but is not limited to, major medical, dental and vision plans, Health Reimbursement Arrangements, health care Flexible Spending Accounts, etc.

COBRASecure administration

Optional notices

An option of COBRASecure, which is available for an additional fee, is to have Initial COBRA Notices sent to all current employees, as well as their spouses and dependents, who are covered by the group health plan. This notice is separate from the notice sent at the time of a COBRA qualifying event.

By taking advantage of this option, employers can ensure compliance for all employees currently on the group health plan.

COBRASecure administration Current continuants

Employee Benefits Corporation works closely with a client's staff to ensure that all current COBRA continuants smoothly transition into the COBRASecure system. We personally contact the continuant by letter and explain the conversion to the COBRASecure system. The continuant learns about how COBRASecure works and how to contact us should they have questions.

COBRASecure administration Premiums and collections

We mail premium notices and collect premiums

Part of our COBRASecure service is the collection of COBRA premiums. We issue a monthly premium notice to the continuant as well as a courtesy grace period notice. The continuant sends all payments directly to us.

We coordinate COBRA election, payments and correspondence with the carrier

We will communicate with the client's insurance company when the continuant elects COBRA or pays a premium. A Client Liaison provides

election and payment information to the client's insurance company to ensure the continuant's coverage is reinstated or terminated.

We make premium payments to the employer

Our COBRASecure system automatically generates monthly premium payments based on the amounts collected from continuants. A check, along with a detailed statement that lists all of the collections made during that period, will be issued to the client.

We send notification of benefit or premium rate changes to continuants (optional)

We will assist in notifying continuants if premium rates or benefits change. An assigned COBRA Specialist will assist in this notification and coordinate with the client's Human Resource Department.



Ongoing COBRASecure services Monitoring and maintenance

Employee Benefits Corporation maintains a complete document archive. We archive all documentation that is associated with the COBRASecure plan. We make it available to the client when necessary.

We send reports to clients

Our COBRASecure system generates monthly reports to illustrate COBRA activity. These reports keep clients up to date on the election periods, premium periods and COBRA terminations of former employees.

We monitor termination time lines

The COBRASecure system frees clients from the cumbersome task of monitoring COBRA termination time lines. Our system ensures that COBRA benefits are terminated on the appropriate date.



Our web site

Our web site is a quick and convenient source of information for clients and employees. COBRASecure clients can use the COBRASecure Web Access area to carry out several tasks, such as entering Qualifying Events and Initial Notices, submitting information for qualified beneficiaries and covered employees, viewing the status of qualified beneficiaries and more. Both employers and employees can download COBRA-related forms and get answers to frequently asked questions. Visit us at www.ebcflex.com.

HIPAA certification mailing (optional)

Another option of COBRASecure is to have us produce HIPAA Certificates Of Creditable Coverage for employees who are losing coverage.

What is HIPAA?

HIPAA is the Health Insurance Portability and Accountability Act of 1996. This legislation was passed to help govern the portability of health care coverage, especially in the area of preexisting conditions, and to create a more consistent health care delivery system.

HIPAA Certificates are designed to improve portability and availability of health coverage. A Certificate of Creditable Coverage is documentation of an individual's prior health coverage. These statements are used to curb the exclusion of individuals with preexisting conditions from plans. They also credit individuals for prior coverage to reduce or eliminate waiting periods as a result of preexisting conditions. This prohibits discrimination based on health status, ensures availability and provides special rights to enroll in plans with certain situations.

Since some insurance carriers provide the same service, clients should check with their carriers before opting to have Employee Benefits Corporation issue the certificates.

COBRASecure retiree services

COBRASecure Retiree Administration (optional)

Employee Benefits Corporation offers administration services for retirees enrolled in the company health plan. Initial set-up services include retiree data entry, initial takeover of current retirees, client reporting, Internet support and toll-free help over the phone. Monthly services include premium collections, tracking enrollment forms, issuing monthly payments to clients, notifying carrier and employer of retiree elections and cancellations, ensuring termination dates, issuing notifications (including cancellations and premium rate changes) and maintaining a complete document archive.

COBRASecure retiree services

Retiree Billing (optional)

Employee Benefits Corporation offers Retiree Billing services for clients who do not need the complete administration services available through Retiree Administration. Initial set-up includes retiree data entry and initial takeover of current retirees, monthly client reporting and a toll-free help line. We collect premiums, mail premium notices, issue monthly checks to clients, manage premium rate-change notifications and maintain a complete document archive.

For more information

Contact Employee Benefits Corporation if you have any questions or would like to implement COBRASecure.

On the web:

www.ebcflex.com

By Phone:

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There are several different ways you can contact us:

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