



A HIGHMARK COMPANY

HM Life Insurance  
Company

HM Life Insurance  
Company of New York

HM Casualty  
Insurance Company

RBS Re

HM Benefits  
Administrators

April 23, 2010

## **COBRA LEGISLATIVE UPDATE**

In order to better serve our COBRA administrative services customers, HM Insurance Group is providing the following overview of recent developments in COBRA legislation.

On April 15, 2010, President Obama signed into law the Continuing Extension Act of 2010 (CEA 2010). Major impacts of this Act include:

- Extension of the eligibility period for COBRA premium assistance through May 31, 2010. The assistance program was initially created by the American Recovery and Reinvestment Act of 2009 (ARRA).
- Timeframe change for reduction in hours Qualifying Events that are followed by an involuntary termination of employment. The time has been extended to include events occurring on or after March 2, 2010, and on or before May 31, 2010. Please note that the timeframe change to the law does not change the length of the COBRA maximum coverage period. It is still based on the original reduction in hours Qualifying Event date.

Employers should determine whether they have employees who previously lost group plan coverage due to a reduction of hours and subsequently experienced involuntarily termination between March 2, 2010 and May 31, 2010. These employees are entitled to a new COBRA election and premium assistance rights, as described above. To submit COBRA event information, please go to [www.hminsurancegroup.com](http://www.hminsurancegroup.com), select eServices and login under the COBRA online services section. If you are not registered for eServices, please contact your Account Service Manager, or call our customer service line at 1-800-457-3397.

As your administrator, we will be notifying subscribers who had events during the period between March 2, 2010 and May 31, 2010, to notify them that they may now be eligible for the premium assistance program. There will be a minimal additional fee for sending notices and/or reoffering COBRA/ARRA to individuals who have had events during the previously mentioned period.

Keep in mind, the new law does not change the subsidy period (up to 15 months). Beginning with the June 2010 billing cycle, subscriber premium will be calculated at the full rate of 102% for COBRA/ARRA individuals ending their subsidy period.

### **Mailing Address**

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Pittsburgh, PA 15253-5061

### **Overnight Deliveries**

Fifth Avenue Place  
120 Fifth Avenue  
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[www.hminsurancegroup.com](http://www.hminsurancegroup.com)

### **Telephone**

412-544-1000  
800-328-5433

Coverage is underwritten by HM Life Insurance Company or HM Casualty Insurance Company, Pittsburgh, PA in all states except New York. In New York, coverage is underwritten by HM Life Insurance Company of New York, New York, NY. HM Life Insurance Company, HM Benefits Administrators and RBS Re provide certain administrative and customer support services. The coverage or service requested may not be available in all states.

Legislative changes are likely to continue month by month for the remainder of this year until and unless HR 4213 (amended by Senate Amendment 3336) is passed. This bill has been passed by the Senate and is pending in the House. It would extend the subsidy eligibility period through the end of 2010.

If you have any questions regarding these changes, please contact your Account Service Manager, or call our customer service line at 1-800-457-3397.

Sincerely,

A handwritten signature in black ink that reads "Matthew P. Piroch". The signature is written in a cursive style with a large, prominent initial "M".

Matthew P. Piroch  
Senior Vice President of Operations and IT

**HM Insurance Group does not provide investment, tax or legal advice of any kind. If you need legal/tax advice or any other type of legal advocacy, you should consult with an attorney or tax advisor.**

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