

IMPORTANT UPDATE REGARDING COBRA CONTINUATION COVERAGE

On April 28, 2020, the U.S. Department of Labor and IRS announced a temporary extension of certain deadlines for sending notifications, electing, and paying for COBRA continuation coverage during the COVID-19 outbreak. Under this temporary extension, you have extra time to send certain notifications about COBRA coverage, to elect COBRA coverage, and to make premium payments. These changes are retroactive to any deadline occurring from March 1, 2020 until 60 days after the COVID-19 National Emergency is declared over.

Election Period Extension

Prior to the temporary rule change, qualified beneficiaries had 60 days from the date of the Specific Rights Notice (SRN) to elect COBRA. With this COBRA election period extension, the period from March 1, 2020 to 60 days after the end of the National Emergency is disregarded in determining the end of the 60-day COBRA election period.

Grace Period Extension

Prior to the temporary rule change, COBRA members had a 30-day grace period to pay monthly COBRA premiums in order to maintain coverage, and a 45-day grace period to make an initial payment upon first electing COBRA coverage. With this COBRA grace period extension, the period from March 1, 2020 to 60 days after the end of the National Emergency is disregarded in determining the end of the COBRA premium payment periods.

Second Qualifying Event and Disability Notifications

Prior to the temporary rule change, COBRA members had 60 days to notify Discovery Benefits of a second qualifying event that would extend the COBRA coverage period from 18 months to 36 months. COBRA members also had 60 days to notify Discovery Benefits of receiving a Social Security Administration disability determination to extend the COBRA coverage period from 18 months to 29 months. With this COBRA notification extension, the period from March 1, 2020 to 60 days after the end of the National Emergency is disregarded in determining the end of the required notification periods for a second qualifying event and disability determination.

Next Steps

The above COBRA timeframe extensions are not reflected in the attached notices or your online account, but they do apply to your account. You can find information regarding your original premium, grace period, and payment due dates in your online account. Remember that these extensions are temporary and will not apply beginning 60 days after the end of the National Emergency. You will receive notice in advance of the change.

Ongoing Payments

Please keep in mind that the above extensions of time do not change how COBRA coverage operates. If you pay a monthly payment later than the first day of the coverage period to which it applies, your coverage under the plan will be suspended as of the first day of the month. However, if you timely pay your monthly payment (taking into account the extended time discussed in this letter), your coverage will be retroactively reinstated going back to the first day of the applicable month. This means that any claim you submit for benefits while your coverage

is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

Questions on Your Account?

If you have any questions regarding your account or this notice, our Participant Services team is available to assist by email at cobraadmin@discoverybenefits.com, by live chat, or by calling (866) 451-3399 during business hours (Monday through Friday, 6 a.m. to 9 p.m. Central time).

For more information on this temporary extension, visit <https://www.dol.gov/newsroom/releases/ebsa/ebsa20200428>.

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