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**** IMPORTANT EMPLOYER BULLETIN ****

TO: ALL GROUP HEALTH CLIENTS

FROM: GREENBERG & ASSOCIATES INSURANCE

DATE: JUNE 24, 2004

RE: UPDATE ON PREVIOUS COBRA BULLETIN DATED JUNE 1, 2004

On June 23, 2004, the DOL issued technical corrections to one of the final regulations and to the model election notice appended to the original final regulations. The first correction affects DOL Reg. Sec. 2590.606-1 which permits delivery of a single Initial Notice addressed to a covered employee and spouse at their joint residence, provided that the plan's latest information indicates that both reside at that address. The term "covered *employer*" was used inadvertently in the original regulation and has been changed to "covered *employee*" by the technical corrections. The second correction applies to the DOL's model election notice. The previous model election notice provided that COBRA coverage would be terminated before the end of the maximum coverage period if, among other things, "a covered employee becomes entitled to Medicare benefits (under part A, Part B, or both)" after electing COBRA. The term "covered employee" is incorrect, and the technical corrections replace it with the term "qualified beneficiary".

If it is your intention to utilize the model election notice provided by the DOL, it is important to discard the one previously sent on June 1st, and replace it with the one attached here today. In addition, when providing this information to your legal council, be sure you have updated all to reflect these technical corrections before their review of your final drafts.

Sorry for the inconvenience, and hope you haven't already put together your documents. But, wanted you to know as soon as possible of the corrections made by the DOL.

Let me know if you have any questions.

Thanks, Sharon