

MEMORANDUM

TO: All North Carolina Licensed Small Employer Carriers & Multiple Employer Welfare Arrangements

FROM: Ted Hamby, Deputy Commissioner

DATE: July 16, 2009

RE: Senate Bill 957 – Special Enrollment Period in the NC Group Health Insurance Continuation Law

Senate Bill 957, effective on June 8, 2009, was adopted by the North Carolina General Assembly in order to provide a special enrollment period in North Carolina's group health insurance continuation laws and to provide eligible individuals in groups subject to those laws a second opportunity for continuation of coverage and opportunity for the stimulus provided under the Federal American Recovery and Reinvestment Act of 2009 (ARRA).

The bill amends North Carolina's group health insurance continuation laws to provide that an employee or member who does not have an election of continuation coverage in effect under Part 1 of Article 53 of Chapter 58 of the North Carolina General Statutes, but who may otherwise be an assistance eligible individual under ARRA, will have the right for a special election of continuation coverage under North Carolina's group health insurance continuation laws. The election must be made no later than 60 days after the date the administrator of the group policy provides to the eligible individual the notice required by section 3001(a)(7) of ARRA.

Continuation coverage elected under this special enrollment period will commence on the first period of coverage beginning on or after June 8, 2009 and shall not extend beyond the period of continuation coverage that would have been required under G.S. 58-53-35 if the continuation coverage had instead been elected pursuant to G.S. 58-53-10. Additionally, with respect to an individual electing continuation coverage under this special enrollment period, insurers shall disregard the period beginning with the date of the qualifying event and ending on the date of the first period of coverage on or after the effective date of the bill, June 8, 2009, for purposes of determining the 63-day period referred to in G.S. 58-68-30(c)(2)a. and G.S. 58-51-17(a)(2)a.

As ARRA is a federal law, the Department encourages all insurers and their member employers to review the material found on the US Department of Labor's website (<http://www.dol.gov/ebsa/cobra.html>) related to ARRA and the premium assistance program. That website also includes links to the IRS' website.

You may contact Jean Holliday at jean.holliday@ncdoi.gov or 919-733-5060, extension .346 if you have any questions or comments about this memorandum.