

## NOTICE OF OPTION TO CONTINUE OR CONVERT COVERAGE

If you have questions regarding your rights for conversion or continuation of your health insurance, contact USABLE Life, 320 West Capitol Avenue. If you have additional questions, you may contact USABLE Life, toll-free, at (800) 519-2583.

Si usted tiene una pregunta sobre sus derechos bajo el proceso de convertir o de continuar el seguro de salud, hable USABLE Life, 320 West Capitol Avenue. Si usted necesita más información, se puede comunicar con USABLE Life por el número gratis (800) 519-2583. Se habla español.

TO: \_\_\_\_\_

Your eligibility for group insurance coverage terminated on:

DATE OF TERMINATION: \_\_\_\_\_

1. According to the Texas Insurance Code eligible insured employees and their dependents have the option to convert or continue their group health benefits under the group policy. This option is available under the following conditions:
  - a. you have been continuously covered under the Policy for at least three (3) consecutive months prior to termination; and
  - b. coverage terminated for any reason other than involuntary termination for cause.

There is no right of conversion or continuation if:

- a. the termination of coverage occurred because of failure to pay any required premium or any discontinued group coverage was replaced by similar group coverage within thirty-one (31) days of the discontinuance; or
- b. you are or could be covered by Medicare; or
- c. you have similar benefits under another group or individual plan whether insured or uninsured; or
- d. you are eligible for similar benefits under another group plan whether insured or uninsured; or
- e. similar benefits are provided for or available to you under any state or federal law.

**Written application and payment of the first premium must be made within thirty-one (31) days after the date coverage terminates.**

No evidence of insurability is required. Each Insured may select one of the following options:

- Option 1. A conversion policy providing the same coverage and benefits as provided under the group Policy. If this option is selected, lifetime maximums shall be computed from the initial effective date under the Health Benefit Plan; or
- Option 2. A conversion policy with lesser coverage and benefits. If this option is selected, the benefits and premium will be provided in accordance with the minimum standards for conversion policies.

A conversion policy will take effect on the day following the date coverage herein ends. You will be given credit for any satisfaction under the Policy of waiting periods or limitations for any Pre-existing Condition. New Deductible and Coinsurance must be met.

- Option 3. Continuation of coverage under the Policy. If this option is selected, continuation will be permitted for a maximum of six (6) months. The premium rate will be 102% of the group premium. The premium will be payable in advance to the employer on a monthly basis. Continuation will terminate on the earliest of:
- a. six (6) months from the date continuation began;
  - b. the end of the period for which premiums have been received by us;
  - c. the date on which you are or could be covered under Medicare;
  - d. the date on which you are covered for similar benefits under another group or individual policy;
  - e. the date on which you are eligible for similar benefits under another group plan;
  - f. the date on which similar benefits are provided for or available to you under any state or federal law.

If the Policy terminates in its entirety before the end of the continuation period, your coverage will continue until the time otherwise specified.

2. According to the Texas Insurance Code, eligible dependents also have the option to continue their group health benefits under the group policy. This option is available under the following conditions:
  - a. the dependent's eligibility for coverage ceases due to the employee's retirement, death, divorce or annulment; and
  - b. the dependent has been an insured for one (1) year or more, or are an infant under one (1) year of age.

The continuation of the group Major Medical Benefits ends upon the earliest of:

- a. the expiration of three (3) years from the date continuation began; or
- b. the end of the period of time for which premiums have been received by us; or
- c. the date the dependent is eligible for coverage under any other group plan providing similar benefits; or
- d. the date the policy is canceled.

**Notification Requirements.** The dependent must notify the Policyholder within fifteen (15) days of your death, retirement, or divorce. The Policyholder will immediately, within five (5) working days, provide written notice to the Dependent of the right to continue coverage and will send the election form, and instructions for premium payment.

Within sixty (60) days if your death, retirement, or divorce, the dependent must give written notice to the Policyholder of the desire to exercise the right of continuation or option expires. Coverage remains in effect during the sixty (60) day period provided premium is paid.

Any dependent qualifying for continuation of coverage under this provision may elect a converted policy instead of such continuation of group insurance. If the dependent has elected continuation under this provision, the dependent will have the option of a conversion coverage at the end of the maximum continuation period. All conversion provisions described above in Option 1 and 2 will apply.

CONVERSION PREMIUM PAYMENTS

In order to convert your group health benefits under the group policy, you are required to remit premiums to us. Contact our Customer Service Department for information as to your premium for the conversion coverage you have chosen and the payment options. Remit premium to:

USable Life  
320 West Capitol Avenue  
P.O. Box 1151  
Little Rock, AR 72203

The first premium payment must be received by USable Life, within thirty-one (31) days after the date your group coverage terminates. Subsequent payments must be received in according to the payment option you have chosen.

CONTINUATION PREMIUM PAYMENTS

In order to continue your group health benefits under the group policy, you are required to remit monthly premium payments of \$\_\_\_\_\_. This monthly premium must be remitted to the employer at the address shown below:

The first monthly premium payment must be received by the employer within fifteen (15) days of the date of this Notice. Subsequent monthly premiums must be received by the employer no later than the first day of each month.

**NOTE: Please keep your Certificate of Group Insurance and Identification card if you do elect to continue the group health coverage.**

**EMPLOYEES**

- ( ) **I DO** elect to continue coverage under the Group Policy, and agree to the conditions and requirements outlined above. Continuation is subject to USAble Life's approval, based on specific statutory and policy provisions.
- ( ) **I DO NOT** elect to continue coverage under the Group Policy.
- ( ) **I DO** elect to CONVERT to a health conversion policy at this time. Please send me the application.
- ( ) **I DO NOT** elect to convert to a health conversion policy.
- ( ) **I DO NOT** elect to continue coverage under the Group Policy or convert to a health conversion policy.

**DEPENDENTS**

- ( ) **I DO** elect to continue coverage under the Group Policy, and agree to the conditions and requirements outlined above. Continuation is subject to USAble Life's approval, based on specific statutory and policy provisions.
- ( ) **I DO NOT** elect to continue coverage under the Group Policy.
- ( ) **I DO** elect to CONVERT to a health conversion policy at this time. Please send me the application.
- ( ) **I DO NOT** elect to convert to a health conversion policy.
- ( ) **I DO NOT** elect to continue coverage under the Group Policy or convert to a health conversion policy.

\_\_\_\_\_  
Signature of Insured

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
Group and Unit Number

\_\_\_\_\_

**EMPLOYER - PLEASE COMPLETE**

Total number of employees you employed on a least fifty percent (50%) of the business days during the preceding year: \_\_\_\_\_.