

**COBRA ENDORSEMENT A-
DESIGNATED COBRA ADMINISTRATOR**

This COBRA Endorsement A-Designated COBRA Administrator (“Endorsement”) by and between **Blue Cross and Blue Shield of New Mexico, a division of Health Care Service Corporation, a Mutual Legal Reserve Company (“Corporation”)** and _____ (“Employer”) hereby amends the parties’ Group Master Contract and shall have the same effective date as the parties’ Group Master Contract.

A. DEFINITIONS

1. “COBRA” shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and related provisions which require certain employers to offer continuation of health care coverage to employees and their dependents who would otherwise lose coverage.
2. “COBRA Administrator” shall mean Ceridian Benefits Services, Inc. or another person or entity designated by Corporation for administration of COBRA pursuant to this Endorsement.
3. “Members” shall mean the same as provided for in the Group Master Contract.
4. “Qualified Beneficiaries” shall mean persons who are eligible to elect continuation coverage pursuant to COBRA.

B. OBLIGATIONS OF EMPLOYER

1. Employer hereby delegates to Corporation the responsibility for designating a COBRA Administrator to administer the federal requirements for the continuation of health care coverage pursuant to COBRA as provided herein.
2. Employer hereby delegates its responsibilities for administering the federal requirements for the continuation of health care coverage pursuant to COBRA to the COBRA Administrator designated by Corporation as provided herein.
3. Employer shall inform the COBRA Administrator of continuation rights on a form provided by the COBRA Administrator when there is a change in employment or family status of employees and/or their dependents that would cause a loss or reduction in benefits under the health plan and that trigger COBRA continuation rights.

4. Employer shall inform COBRA Administrator of changes in applicable rates for COBRA continuation coverage no later than 30 days prior to the date any such changes become effective.
5. Except as otherwise provided for in this Endorsement, Employer shall be responsible for all aspects of the administration of its COBRA obligations with respect to the group health insurance coverage provided pursuant to the Group Master Contract, including but not limited to the following:
 - a. Employer shall determine the applicable premium for continuation of coverage for Qualified Beneficiaries in accordance with the Group Master Contract;
 - b. Employer shall remit premiums for continuation of coverage to Corporation on behalf of the Qualified Beneficiaries as long as the Qualified Beneficiaries are entitled to COBRA coverage.
6. Employer shall be responsible for any and all violations resulting from its failure to perform its COBRA administration responsibilities not specifically delegated to the COBRA Administrator herein.
7. In the event there is no COBRA Administrator designated by Corporation, and upon notice of such by Corporation, Employer shall be responsible for all aspects of COBRA administration.

C. OBLIGATIONS OF CORPORATION

1. On behalf of Employer, Corporation shall designate a COBRA Administrator of its own choosing to perform the COBRA administration responsibilities specified herein under Section D and may enter into a contract with an independent person or entity for that purpose. The COBRA Administrator is not an agent of Corporation and Corporation is not responsible for any performance or nonperformance of COBRA Administrator.
2. Corporation on behalf of the Employer shall allocate a portion of the premiums charged to the Employer for the services of the COBRA Administrator. Corporation will authorize COBRA Administrator to retain the administration fee charged to the Qualified Beneficiaries.
3. Corporation shall provide COBRA Administrator with all records and other information in its possession needed by COBRA Administrator to perform the responsibilities set forth herein.
4. Corporation is not the plan administrator or plan sponsor for purposes of COBRA and has no responsibilities for the Employer's COBRA obligations except for Corporation's designation of a COBRA Administrator.

5. Corporation shall provide continuation of coverage to Qualified Beneficiaries to the extent required by COBRA provided Corporation receives the applicable contributions and proper enrollment forms in a timely manner.
6. Corporation shall not be responsible for determining whether Qualified Beneficiaries are eligible to receive continuation coverage. Eligibility for continuation coverage shall be determined in accordance with COBRA and the procedures established by the COBRA Administrator.
7. If the Employer, Member, Qualified Beneficiaries or COBRA Administrator fail to meet their obligations under the Group Master Contract, this Endorsement and/or COBRA, Corporation shall not be responsible for providing any continuation of coverage after the Member's termination of coverage.

D. OBLIGATIONS OF COBRA ADMINISTRATOR

1. The person or entity designated by Corporation as the COBRA Administrator pursuant to this Endorsement shall be responsible for the following functions:
 - a. Determine application of COBRA to Employer;
 - b. Provide initial notification of COBRA rights to Employer's employees and their dependents at the home address of the employees when they first become covered under the group plan ("Initial Notice of Rights Form");
 - c. Provide a COBRA Notification Form, COBRA Election Form and Rate Sheet(s) when a Qualifying Event as defined in COBRA results in a loss of Qualified Coverage for Qualified Beneficiaries;
 - d. Receive COBRA election forms from Qualified Beneficiaries and review for completeness and timeliness of elections;
 - e. Maintain records of COBRA continuation coverage premiums;
 - f. Provide monthly billing and collect required premiums for cost of continuation coverage from Qualified Beneficiaries in accordance with applicable rates furnished by Employer and/or Corporation;
 - g. Forward the applicable premium received from the Qualified Beneficiaries to the Employer on a monthly basis, less an amount equal to 2% of the "applicable premium" as defined in COBRA which COBRA Administrator is entitled to retain;
 - h. Provide notification of nonpayment of premium and notice of termination for nonpayment to Employer and Qualified Beneficiaries;
 - i. Provide notification of conversion rights, if any, to an individual medical insurance policy to Qualified Beneficiaries on termination of COBRA continuation coverage;
 - j. Establish and maintain records of COBRA continuation coverage;
 - k. Provide necessary forms, materials and manuals to Employer;
 - l. Establish procedures to verify eligibility for COBRA coverage;
 - m. Develop all correspondence and notices to Qualified Beneficiaries;

- n. Provide customer service with respect to its COBRA responsibilities;
 - o. Retain records as required by law, including maintenance of confidentiality of records, provide an adequate disaster recovery program, and provide reasonable access to records by Employer;
 - p. Upon termination of its responsibilities pursuant to this Endorsement, provide Employer and/or its agent all information necessary for the continued administration of Employer's COBRA responsibilities.
2. COBRA Administrator shall be responsible for any and all COBRA violations resulting from its performance or nonperformance of its obligations pursuant to this Endorsement and/or its contract with Corporation.

E. OBLIGATIONS OF QUALIFIED BENEFICIARIES

1. If COBRA applies to Employer, Qualified Beneficiaries may elect to continue their group health insurance pursuant to COBRA.
2. Members are required to provide Employer all documentation required by Corporation, the COBRA Administrator and/or COBRA for administering continuation coverage, including but not limited to the following:
- a. Medicare entitlement, documentation of divorce or legal separation, or the failure of a covered dependent child to meet eligibility requirements of the Group Master Contract;
 - b. Evidence of coverage under another group health plan;
 - c. Determination by the Social Security Administration that the Qualified Beneficiary is disabled or has ceased to be disabled where necessary to determine eligibility for additional periods of coverage under COBRA.

F. OTHER PROVISIONS

1. This Endorsement is not intended to and shall not be interpreted to grant any Member or Qualified Beneficiary any rights in excess of those required by the Group Master Contract and/or COBRA.
2. This Endorsement is not intended to and shall not be interpreted to extend, vary, alter, replace, or waive any of the provisions, benefits, exclusions, limitations or conditions contained in the Group Master Contract, other than as specifically provided for in this Endorsement.
3. In the event there are any statutory and/or regulatory changes, revisions or modifications to COBRA, the Group Master Contract and this Endorsement shall be deemed to have been changed, revised or modified so as to comply with COBRA.

4. Either party may terminate this Endorsement for any reason upon 30 days' prior written notice to the other party. Otherwise, this Endorsement shall terminate in accordance with the termination of the Group Master Contract.

AGREED:

Employer:

Blue Cross and Blue Shield of New Mexico, a division of Health Care Service Corporation, a Mutual Legal Reserve Company

Signature

Signature

Print Name

Print Name

Title

Title

Date

Date