



A consumer information brochure published by the

## New Hampshire Insurance Department

21 South Fruit Street,  
Suite 14  
Concord, NH 03301

phone: (800) 852-3416  
fax: (603) 271-1406

TDD Access: Relay NH  
1-800-735-2964

# Guide to New Hampshire State Continuation



The New Hampshire Insurance Department makes sure that insurers doing business in the state are financially sound, that insurance is available and appropriately priced, and consumers are treated fairly by doing the following:

- Licensing insurance companies and monitoring their financial stability
- Reviewing insurance forms and premium rates to be sure they comply with state law
- Licensing individual insurance producer/agents and brokers as well as insurance agencies
- Helping consumers with questions and problems
- Ensuring that insurance companies and producer/agents comply with state insurance laws
- Educating the public about insurance
- Advocating reforms that protect the insurance-buying public

## WHAT IS N.H. STATE CONTINUATION?

State Continuation is not insurance; State Continuation is a right of N.H. residents, under N.H. law, to temporarily continue their FULLY INSURED group health and dental benefit plan (see below for explanation of fully insured) for themselves and their dependents after the date the insurance would have otherwise ended due to a change in eligibility. For laws governing general requirements to State Continuation refer to RSA 415:18, XVI).

A Fully insured plan is when your employer has a contract with an insurance company for an insurance policy and pays a fee (i.e. the premium) for coverage vs. an employee benefit plan which is the employer offering a health benefit plan which is funded by the employer and only administered by the insurance company (these plans are also known as self-funded and employer benefit plans). The N.H. Insurance Department only has jurisdiction over the fully-insured plans. Self-insured/self-funded Employee benefit plans fall under federal jurisdiction (U.S. D.O.L.). Your benefits manager or human resource administrator should be able to clarify which type of plan you have.

## WHO IS ELIGIBLE?

Under N.H. State Law any insured individual whose employer has a fully insured group plan and is no longer eligible due to a "qualifying event" i.e.:

Termination (Except For Gross Misconduct), Quit, Laid Off, Divorce, Legal Separation, Change In Dependent Status, Declared Totally Disabled, Death Of Covered Employee, Employer Declares Bankruptcy

See chart on page 4 for length of coverage which is based on the "qualifying" event.

## RESPONSIBILITY FOR NOTIFICATION TO INSURANCE CARRIER

In the event the covered employees becomes divorced, legally separated, declared disabled (under Social Security Act) or has substantial losses due to employer declaring bankruptcy, the employee must notify the employer who will then, notify the insurance company/carrier.

## Guide to New Hampshire State Continuation

**In the event of the termination, laid off or death of the covered employee, then the employer should notify the carrier/insurance company.**

### HOW DO I SIGN UP FOR CONTINUATION?

The insurance carrier is responsible, under NH Law, to notify eligible individuals of their continuation rights. Once the carrier is notified the carrier has 30 days from notification of eligibility for State Continuation to provide the individual with an election notice which offers the option and directions to sign up for State Continuation. The individual then has 45 days to decide.

### IMPORTANT NOTES REGARDING STATE CONTINUATION:

- Coverage is retroactive: Example: An employee has 45 days from the notification letter from the carrier to make a decision and communicate their acceptance to the employer. Once State Continuation begins, the coverage will be retroactive to the last day of the coverage.
- Other individuals on the health plan can elect State Continuation even if covered employee does not.
- No pre-existing conditions apply to the extent an individual met any pre-existing requirements under their terminating group plan.

### WHAT DOES STATE CONTINUATION COST?

The benefits of the plan shall be made available to all eligible for the plan at the full group rate charged by the insurance carrier plus an allowable administrative fee not to exceed 2% (percent) of the monthly premium. Full payment shall be made to the employer who then will forward the premium with the group's premium to the insurance carrier.

### WHAT HAPPENS WITH NON-PAYMENT?

#### **When Insured Fails to Pay**

- The insurance can be terminated for failure of the insured to make timely payments.
- There is a 30 day grace period allowed for payments.

#### **When Insured Pays Employer But Employer Fails to Pay Carrier / Insurance Company**

- If employer fails to make the payments to the insurer and this results in coverage termination, the employer will be liable for the benefits to the same extent as the insurer would have been had coverage not been terminated.

## **WHAT IF MY EMPLOYER NO LONGER OFFERS HEALTH INSURANCE COVERAGE OR IF MY EMPLOYER GOES OUT OF BUSINESS?**

When a fully-insured group plan terminates its benefits, the plan shall be available at the same group rate to all participants who are N.H. residents and for an extension period of 39 weeks, or until coverage is available under another group plan, whichever occurs first. The full cost of the insurance as charged to the employer plus an allowable 2% administrative charge is due by the individual and the premium is paid directly to health insurance carrier.

## **WHAT HAPPENS WHEN MY CONTINUATION OF COVERAGE ENDS?**

Upon termination of the continuation period individuals should consider purchasing insurance. At the N.H. Insurance Department's website at [www.nh.gov/insurance](http://www.nh.gov/insurance) under Consumer's Health page (or under Quick Links on the first page) there is a listing of companies offering individual health insurance.

Please note that if you are denied individual health coverage for any medical reason you may qualify for the New Hampshire Health Plan. For further details please go their web site at [www.nhhealthplan.org](http://www.nhhealthplan.org) or call at 877-888-6447.

**LENGTH OF COVERAGE CHART**

<b>QUALIFYING EVENT</b>	<b>LENGTH OF COVERAGE</b>	<b>NOTES</b>
<b>REGULAR</b>		
Quit Job, Laid Off , Terminated (Except for Gross Misconduct)	18 MONTHS	Set length of time under “regular” circumstances
<b>DISABLED</b>		
DISABLED – Declared Disabled under Title II or XVI of the Social Security Act	29 MONTHS	If an individual is determined by the Social Security Act Title II or XVI to be disabled within the first 60 days of the date individual becomes ineligible for continued participation in the plan the individual can stay on State Continuation for 29 months.
<b>DEPENDENT ISSUE</b>		
DEPENDENT ceases to meet definition of DEPENDENT	36 MONTHS	A dependent that no longer meets the criteria for dependent status and ceases to be eligible to continue on covered employee’s health plan can elect State Continuation for 36 months.
<b>DEATH OF COVERED EMPLOYEE</b>		
COVERED EMPLOYEE’S DEATH – surviving spouse or partner is age 55 or older	Until eligible for Medicare OR For another employer based group health plan	The surviving spouse / civil union partner (age 55 or older) of a covered employee can stay on State Continuation until eligible for either Medicare or for another employer-based group health plan.
<b>COVERED EMPLOYEE’S</b>		
DEATH – surviving spouse or partner is age 54 or younger	36 MONTHS	The surviving spouse / civil union partner (age 54 or younger) can stay on State Continuation for 36 months.
<b>DIVORCE OR LEGAL SEPARATION</b>		
COVERED EMPLOYEE becomes DIVORCED OR LEGALLY SEPARATED – the divorced / legally separated spouse/partner is age 55 or older	Until eligible for Medicare OR For another employer based group health plan	The divorced or legally separated spouse or former civil union partner age 55 or older of the covered employee can stay on State Continuation until eligible for either Medicare or another employer-based group health plan.
COVERED EMPLOYEE becomes DIVORCED OR LEGALLY SEPARATED – divorced / legally separated spouse/partner is age 54 or younger.	36 MONTHS	The divorced or legally separated spouse or former civil union partner age 54 or younger of the covered employee can stay on State Continuation for 36 months.
<b>EMPLOYER’S BANKRUPTCY</b>		
EMPLOYER FILES FOR TITLE 11 BANKRUPTCY PROTECTION (for Retirees & their Dependents)	36 MONTHS	RETIREES AND THEIR DEPENDENTS who have a substantial loss of coverage within one year of the date the employer files for protection under the bankruptcy provisions of Title 11 of the United States Code are eligible for 36 months.

The general requirements for State Continuation are found in RSA 415:18, XVI.