



MINNESOTA STATE AND LIFE CONTINUATION

Client Handbook

ALERUS

Minnesota State Continuation

COBRA requires that group health plans sponsored by employers with 20 or more employees in the prior year offer employees and their families the opportunity for a temporary extension of health coverage (called continuation coverage) in certain instances where coverage under the plan would otherwise end.

Minnesota law applies to fully insured employers with two or more employees as well as self-insured plans offered by local government units. Minnesota law does not apply to self-insured non-governmental employers. In certain circumstances, Minnesota law provides for a longer continuation time than COBRA does.

Minnesota Life Continuation

Pursuant to Minnesota Statute 61A.092, employees have the option to continue basic life, dependent (family) basic life, employee voluntary life, spouse voluntary life, and child life insurance in the event of termination of employment, layoff, or reduction in hours. **Dependents do not have the right to continue life insurance on their own.** All or any portion of the life insurance benefits in force at the time the qualifying event occurs may be continued at the employee's expense. The maximum period for continuation of life insurance is 18 months, or until covered by other group insurance, whichever is earlier.

Managing Life Benefits in the COBRA System

Prior to providing Alerus with life benefit information, please confirm plan setup details and subjectability with the insurance carrier to ensure Alerus is collecting premiums accordingly. Certain carriers will incorporate AD&D with life continuation, while others do not.

Life benefits are managed as units-based benefits within the COBRA system. That means if you are manually processing a member record within the Alerus COBRA employer website, you will need to enter a value, per \$1000 units of coverage, when adding the information in.

- If the member had a \$50,000 life policy at the time of their event, you would enter "50" as the number of units.
 - If the employee has experienced a benefit reduction due to age, enter the units based on their current coverage level, not on the original policy.
 - If the face value is not an even number of thousands, round to the nearest thousandth of the coverage amount with up to two decimals.
- Be sure to choose the appropriate coverage level description for life benefits to ensure the proper premiums populate on the enrollment form:
 - Basic life and employee voluntary life = QB ONLY
 - Spouse voluntary life = SPOUSEONLY
 - Child(ren) voluntary life = CHILDONLY or CHILDRENONLY
 - Dependent basic life = QB + FAMILY
- Certain plans may be built that are **not** unit- based if that is the case the appropriate premium will automatically populate once the coverage level is assigned.
- If life plans terminate based on date of event, they will populate first when adding them into the dependent record, be sure to continue to add any benefits based on end of month to the dependent record, as necessary.

Alerus issues all necessary Minnesota State and Minnesota Life notices automatically.

Please do not add any letter inserts.

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