

- 3 Termination of or layoff from employment; continuation and conversion rights.**
- Subd. 1. Continuation of coverage.** Offers former employees a new type of policy, called a "GAP policy," as an alternative to continuation coverage.
- Subd. 2. Responsibility of employer.** Clarifies current state law (stated less clearly in existing law about three sentences later) permitting the employer to add a 2-percent administrative charge to the premium. Makes changes to match the federal COBRA law permitting earlier termination of continuation coverage in some situations.
- Subd. 3.** Was repealed in 1987.
- Subd. 4. Responsibility of employer.** Clarifies existing law.
- Subd. 5. Notice of options.** References the right to obtain a GAP policy. Requires employees to pay the GAP insurer directly (not through the employer).
- Subd. 5b.** No changes.
- Subd. 6b. Conversion to individual policy.** Makes conforming changes relating to existing right to conversion coverage.
- Subd. 7. Direct access to a GAP policy.** Specifies the procedure for offering and obtaining a GAP policy. Describes the types of GAP policies that must be made available to former employees.
- 4 Continuation privilege.** Conforms continuation rights of spouses and dependent children of former employees to match the federal COBRA law.
- 5 Continuation privilege.** Conforms continuation rights of former spouses and their children to match the federal COBRA law.