

MOON AREA SCHOOL DISTRICT

SECTION: OPERATIONS

TITLE: GROUP INSURANCE
CONTRACTS

ADOPTED: October 10, 2000

REVISED:

813. GROUP INSURANCE CONTRACTS	
1. Purpose	Proper school district operation requires that adequate basic insurance programs be provided for the protection of the district and employees of the district.
2. Authority SC 513, 774	<p>The Board has the authority and responsibility to provide adequate insurance coverage to protect the district's interests. Such coverage shall be in accordance with the following guidelines.</p> <p>The school district may make contracts of insurance with any insurance company, nonprofit hospitalization corporation or nonprofit medical service corporation, authorized to transact business within the Commonwealth, insuring its employees and retired employees or any class or classes thereof under a policy or policies of group insurance covering life, health, hospitalization, medical services, or accident insurance.</p> <p>The school district may contract with any such company granting annuities or pensions for the school district employees and for such purposes may agree to pay part or all of the premiums or charges for carrying such contracts or make no payment.</p> <p>The school district may appropriate out of its treasury any money necessary to pay such premiums or charges or portions thereof.</p> <p>No contract or contracts of insurance shall be purchased from or through any person serving as School Director.</p> <p>The Board is authorized to deduct from the employee's pay, salary, or compensation the part of the premium that is payable by the employee, if so authorized by the employee in writing.</p> <p>All contracts for insurance or annuity shall conform to all existing laws or future laws concerning insurance and annuities.</p>

<p><u>COBRA</u></p> <p>In the event of a qualifying event to the employee, as described below, the employer has thirty (30) days to notify the plan administrator of the termination, reduction in hours, or death of the employee. This terminates his/her insurance under the plan. The administrator, once notified, has fourteen (14) days to notify the employee of this right to continue coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). In the event of a qualifying event to a dependent, the employer has fourteen (14) days to notify the dependent of his/her rights to continue coverage after s/he is advised by the employee or dependent that the event has occurred.</p>	
<p><u>Qualifying Event</u></p>	<p><u>Duration of Continuance of Coverage</u></p>
<p>Termination of employment (except for gross misconduct)</p>	<p>Up to 18 months</p>
<p>Reduction of the employee's hours which results in loss of coverage</p>	<p>Up to 18 months</p>
<p>Death of an employee</p>	<p>Up to 36 months</p>
<p>Divorce</p>	<p>Up to 36 months</p>
<p>Loss of dependent coverage because employee becomes entitled to Medicare benefits</p>	<p>Up to 36 months</p>
<p>Dependent child no longer meets definition of an eligible dependent</p>	<p>Up to 36 months</p>
<p>Terminated employees as outlined above are responsible for the gross rate of premiums charged with an additional two percent (2%) charged for the additional corporate administrative cost.</p>	