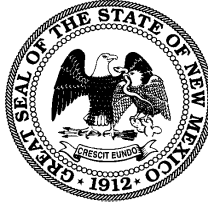


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FOR IMMEDIATE RELEASE: March 20, 2009

COBRA CONTINUATION COVERAGE ASSISTANCE: UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)

SANTA FE, N.M. – As the economy downturn continues, more and more individuals face the possibility of not only losing their homes, but their jobs as well. New Mexico Superintendent of Insurance Morris J. Chavez is offering some helpful tips and updated information regarding the new COBRA subsidy enacted as part of the nation's Economic Stimulus Legislation signed by President Barack Obama on February 17, 2009.

Here is a summary of the COBRA Provisions for New Mexico residents:

- The Economic Stimulus bill provides a 65% subsidy for COBRA continuation premiums for up to nine months for workers who have been involuntarily terminated, and for their families.
- This subsidy also applies to health care continuation coverage if required by "comparable" state "mini-COBRA" laws.
- Eligible individuals simply pay 35% of the premium. The receiver of the premiums (health insurer for fully-insured coverage or employer for self-insured coverage) then deducts the other 65% from its payroll liability.
- To qualify for premium assistance, a worker must be involuntarily terminated between **September 1, 2008 and December 31, 2009**.
- The subsidy would terminate upon offer of any new employer sponsored health care coverage or Medicare eligibility.
- Workers who were involuntary terminated during the qualification period by employers with 20 or more employees, but failed to initially elect COBRA because it was unaffordable, would be given an additional 60 days from **February 17, 2009** to elect COBRA and receive the subsidy.
- Participants must attest that their same year income will not exceed \$125,000 for individuals and \$250,000 for families.

Right now, The New Mexico Public Regulation Commission's ("NMPRC" or "Commission") Insurance Division will not need to do anything for the 65 percent subsidy to flow to those already enrolled in COBRA or the state mini-COBRA programs.

However, Superintendent Chavez says that there may be a concern for those who rejected COBRA coverage prior to passage of the nation's stimulus bill in February.

"The federal law allows such individuals to reverse their decision and accept COBRA enrollment during a 60-day grace period and then receive the subsidy," Chavez said. "However, anyone who rejected COBRA coverage under a state mini-COBRA program can not reverse his/her decision at this time."

Chavez notes that the state would have to act to extend the election period and allow these former employees to elect mini-COBRA coverage, because the ARRA provision for the extended election period does not apply to the State mini-COBRA plans. Since the current legislative session will conclude on Saturday, March 21, 2009. New Mexico does not have the time to take action to extend the election period for the continuation coverage programs.

If you have questions or concerns, you can contact the NMPRC Insurance Division at 505.827.3928 or contact the NMPRC Public Information Office at 505.827.4446 or by cell phone at 505.699.7991.

Visit the NMPRC on the web at: www.nmprc.state.nm.us

About the NMPRC

The NMPRC regulates public utilities, telecommunications companies and motor carriers operating in the State of New Mexico. It also administers the State Fire Marshal's Office, the New Mexico Firefighters Training Academy in Socorro, New Mexico, Pipeline Safety Bureau and the Corporations Bureau, which registers state corporations (LLC). The NMPRC is also responsible for the oversight of the New Mexico Insurance Division and the state's superintendent of insurance.