

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

**KENTUCKY 56 MORGAN**

**BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL**

**Policy Number 213**

**Effective Date: 03/20/2014**

**SUBJECT: EMPLOYEES MAJOR MEDICAL INSURANCE PLAN**

**Page 01 of 02**

---

**PURPOSE:** To provide all eligible employees who meet the requirements as set forth in the National Rural Electric Cooperative Association (NRECA) Major Medical Insurance Plan coverage.

**POLICY:** The Organization shall have available major medical coverage to all employees who are eligible and elect to participate in said plan.

**RESPONSIBILITIES:** The Administration Department has the responsibility of assuring the proper administration of this policy.

**PRACTICES:**

1. Premium: Employer pays 89.63%. Employee with dependents pays 10.37%. Premium for employee without dependents is paid by the Cooperative.
2. No waiting period.
3. The employee's spouse and unmarried children to age 19, unmarried children age 19 or over but less than 25 are also eligible provided they depend wholly upon the employee for support and maintenance and are full-time students in an educational institution.
4. In the event of termination of employment, an employee may have continuation of coverage options under COBRA. If gross misconduct is the basis for termination no continuation is allowed. At the time of termination of employment, the employee should contact the insurance carrier or the Cooperative Administration Department regarding such conversion rights for employees and dependents.
5. In the event of the death of an employee while covered, special arrangements have been made to continue the health care expense coverage for the surviving eligible dependents, provided one hundred percent (100%) of the required contributions are made when due by the dependent. This coverage will terminate on the date the surviving spouse remarries or dies.
6. On April 17, 1986, a new Federal law was enacted (Public Law 99-272, Title X) requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of

---

**LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

**KENTUCKY 56 MORGAN**

**BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL**

**Policy Number 213**

**Effective Date: 03/20/2014**

**SUBJECT: EMPLOYEES MAJOR MEDICAL INSURANCE PLAN**

**Page 02 of 02**

---

health coverage (called "Continuation Coverage") at group rates in certain instances where coverage under the plans would otherwise end. This Corporation will administrate and comply in accordance with said Federal law. With a terminated employee, their spouse or children having the opportunity for continued coverage with those individuals being responsible for reimbursed payment of such coverage. One of the parents of the minor children shall be responsible for such payments.

NOTE: Contracts between the Cooperative/employee and insurance carriers will govern in all matters related to the insurance plans. Exact coverage and the conditions for coverage of the insurance will be determined by the terms and conditions of the policy or contract, and the Cooperative will not under any circumstances be liable as an insurer of any of the benefits to employees. Employees should consult the applicable policy for information regarding insurance coverage.

This Policy supersedes all prior policies with Number 213.

Board Approved March 20, 2014

Secretary

