

LOYOLA ENTERPRISES, INC.

POLICIES & PROCEDURES

CLASSIFICATION: Employee Benefits

Number: IV-2

Effective Date: 07-09-09

SUBJECT: Continuation of Health Insurance under COBRA

Revision Date:

Under the Consolidated Omnibus Budget Reconciliation Act of 1985, better known as COBRA, if an employee terminates employment with the Company, the employee is entitled to continue participating in the Company's group medical and dental plans for a prescribed period of time, usually eighteen (18) months. In certain circumstances, such as an employee's divorce or death, the length of coverage period may be longer for qualified dependents.

COBRA coverage is not extended to employees terminated for gross misconduct.

If a former employee chooses to continue group benefits under COBRA, he/she must pay the total applicable premium plus a two (2) percent administrative fee. Coverage will cease if the former employee fails to make premium payments as scheduled, becomes covered by another group plan that does not exclude pre-existing conditions or becomes eligible for Medicare.

For detailed information or questions on COBRA, employees are requested to contact the Human Resources Department.