

What triggers the obligation to offer COBRA coverage?

COBRA laws require employers to offer a COBRA election to qualified beneficiaries when there is: (1) a triggering event; and (2) the triggering event causes (or will cause) a loss in plan coverage that occurs within the maximum coverage period for that event. When both events (1) and (2) exist, there is a COBRA “qualifying event.” A COBRA “qualifying event” is a specified triggering event, “which, but for the continuation coverage required (by COBRA), would result in the loss of coverage of a qualified beneficiary.” An event is a qualifying event if it (a) is one of the specified events (“triggering events”), (b) causes the covered employee, spouse or dependent child to lose coverage and (c) occurs while the plan is covered by COBRA.

If a qualified beneficiary experiences a triggering event, but there is no loss in coverage attributable to the triggering event, there is no qualifying event and COBRA coverage does not need to be offered.
