



Date: July 16, 2020
To: All Employee and Participants of the Powell Industries, Inc. Welfare Benefits Plan
Subject: Relaxed deadlines for certain enrollments, claim submissions, appeals, and COBRA-related events

The federal authorities who regulate our welfare benefits plans recently issued guidance expanding your rights under those plans, particularly our healthcare plans.

As you might know, the plans impose a variety of deadlines by which plan enrollees must make certain requests for coverage, elect COBRA continuation coverage, pay for COBRA coverage, notify the plan about certain COBRA qualifying events (like divorce or legal separation), file claims for benefits, notify the plan of an appeal of a claim that had been denied in whole or in part, and similar notifications.

The recent guidance requires the plans to provide you with additional flexibility regarding these elections, notice, payments, etc. due to the coronavirus pandemic. When determining what your deadline for action is for these events, the plans must simply disregard the period from March 1, 2020, to the date that is 60 days after the coronavirus national emergency declaration expires. This period is called the “outbreak period.”

The outbreak period is disregarded for purpose of determining the deadline for the following elections, payments, and notices:

- Your 30- or 60-day period to exercise HIPAA special enrollment rights.¹
- The 60-day period to elect COBRA continuation of coverage, following a loss of your employer-sponsored coverage due to specific COBRA qualifying events.²
- Your 45-day grace period to make your first COBRA premium payment following the election of COBRA continuation coverage, as well as the normal 30-day grace periods for making monthly COBRA premium payments.³
- The date by which you must notify the plan where you experience a COBRA qualifying event and are determined to have been disabled as of the date of that event or within the following 60 days.
- The date by which you or a healthcare provider on your behalf must file a claim for benefits under the plan.
- The date by which you must file an appeal after having a claim denied in whole or in part.
- The date by which claimants must request external review after having certain medical claims denied in whole or in part.

¹ HIPAA special enrollment events generally include loss of eligibility for other coverage, or acquisition of a new dependent due to marriage, birth, adoption or placement for adoption.

² COBRA qualifying events include voluntary or involuntary termination of employment, reduction in hours below plan eligibility requirements, divorce or legal separation, death of a covered employee, and loss of dependent child status, if those events cause a loss of eligibility.

³ Note that if during the “outbreak period” you are unable to make your COBRA premium payment by the normal deadline your COBRA coverage may temporarily lapse, subject to retroactive reinstatement if and when you later make the required premium payment, after the end of the outbreak period. Once you make past-due premium payments within the extended deadline, coverage will be reinstated for the periods for which payment is made and any claims incurred during that period, for which payment was denied while your coverage had lapsed, will be reprocessed and paid in accordance with the terms of the plan. Note that if your *initial* COBRA premium payment is deferred until after the end of the outbreak period, the plan might require you – to the extent permitted by law – to make all back premium payments in order for your COBRA coverage to take effect.

Federal authorities have included several examples reflecting how disregarding the outbreak period operates to extend the time by which you have to make these elections, payments and notices. If you would like to review those examples, see the document at the link below.

<https://s3.amazonaws.com/public-inspection.federalregister.gov/2020-09399.pdf>

Our welfare benefits plans to which the federal guidance applies are deemed amended to reflect these requirements, for as long as the requirements are in effect.

For more information related to how these extensions may affect your situation, contact the Powell Benefit Center at 855-855-7610.

Regards,

Powell Corporate Benefits