

Received notification July 13, 2011

Subject: Timely Notice of Change of Marital Status

Consistent with the Patient Protection and Affordable Act (PPACA), cancellation of the Subscriber's spouse following timely notice of legal separation, divorce or annulment will no longer be retrospective. Effective immediately, the cancellation date will be prospective. Timely notice is defined as notifying the Group or Plan Administrator within 31 days of the change in marital status.

The signature date of the membership application will be used to determine if the notice was given within the 31 days, as required for timely notice. Please see the following examples for groups that allow cancellation dates of the 15th and/or end of month:

- if a Subscriber is divorced July 6th, the membership application is signed July 7th, the spouse will be cancelled prospectively effective July 15th
- if a Subscriber is divorced July 6th, the membership application is signed July 20th the spouse will be cancelled prospectively effective July 31st
- if a Subscriber is divorced July 6th, the membership application is signed August 2nd, the spouse will be cancelled prospectively effective August 15th

Failure to comply with the 31 day notice requirement will result in a retroactive cancellation of coverage defined as a Rescission, in which case premiums will not be refunded.

An amendment to your benefit booklet will be provided upon renewal.

If you have any questions about this updated change or any other PPACA issue, please contact your Account Executive. We remain committed to our mission to provide the best value in health insurance for North Dakotans. Please visit our health care reform website at www.BCBSND.com/healthreform for the latest PPACA updates.