

**CITY OF TRAVERSE CITY
OFFICE OF THE CITY MANAGER
PERSONNEL POLICY NO. 213P**

TITLE: INSURANCE PREMIUM PAYMENT
DEPTS. AFFECTED: ALL
EFFECTIVE DATE: JULY 2011

PURPOSE: The purpose of this policy is to extend certain group insurance benefits to its employees, retirees, and COBRA eligible individuals under the terms and conditions of labor agreements and/or policies. In order to provide these benefits, it is necessary that payments for these selected insurance benefits are received by the City of Traverse City in accordance with payment requirements. This policy will ensure that the City will receive the necessary payment which the individual is obligated and committed to make in order to retain their insurance benefit.

ELIGIBILITY:

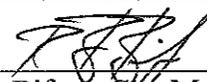
Current employees on medical leave, retirees and COBRA eligible individuals

PROCEDURE:

Employees on medical leave, retirees and COBRA eligible individuals that elect to retain health, dental, or any other insurance product provided under the City of Traverse City group plan, shall authorize the City of Traverse City, on the attached form, to automatically debit their premium payment from a checking or savings account. Debits to an authorized account will be made the first business day of every month for the month insurance coverage is provided.

Insufficient account funds to cover the monthly premium payment will automatically cause an internal investigation by the City Treasurer's Department. If, for any reason, it is determined that the premium cannot be paid, insurance benefits shall be cancelled effective the last day of the preceding month. Employees on medical leave who have their insurance benefit cancelled shall not be permitted to re-enroll in insurance coverage through the City of Traverse City until at which time they return to work. Retirees who have their insurance benefit cancelled shall not be permitted to re-enroll in insurance coverage through the City of Traverse City for any reason. The City of Traverse City shall follow COBRA requirements for COBRA eligible individuals who do not make a premium payment.

It shall be the responsibility of the individual under the terms of this policy to immediately notify the City of Traverse City Human Resources Office of any change in status that would affect their insurance coverage. This would include, but not be limited to, eligibility to Medicare A & B, marriage, divorce, birth or a death of a covered family member. Any individual, or spouse, who does not notify the City of Traverse City shall be responsible for all associated costs and will not receive credit due to their failure to authorize the necessary paperwork to implement a change in coverage.



R. Ben Bifoss, City Manager

History: Supersedes Insurance Payment Policy dated January 31, 2006

Cross Reference: Automatic Debit Enrollment Form