INSURED AMERICAN & FAMILY

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COBRA vs. The Alternatives

Just lost your job? Don't auto-pick COBRA without doing the math.

COBRA isn't always the best answer. Often, it's not even close.

WHAT IT IS

COBRA (Consolidated Omnibus Budget Reconciliation Act) is federal law that lets you continue your employer-sponsored health plan after job loss or other qualifying events, but you pay the full premium (your portion + employer's portion + 2% admin fee). It's the same plan you had, but now you pay the entire cost. Often there are cheaper alternatives, but COBRA is usually the default offered.

HOW COBRA WORKS

Available if your former employer had 20+ employees.
Coverage continues for up to 18 months (sometimes 36

months for specific qualifying events).
You typically have 60 days to elect coverage after

qualifying.
You pay 100% of the premium plus a 2% administrative

fee.
If you elect late, COBRA is retroactive, but you owe back premiums.

THE ALTERNATIVES

Marketplace SEP, losing job-based coverage triggers a
60-day Special Enrollment Period. Subsidies may apply.

Spouse's employer plan, if available, usually the
cheapest family option.

Medicaid, if your post-job income drops, you may qualify.
Short-term medical, bridge until next plan starts. Has gaps.

THE 3 THINGS PEOPLE GET WRONG

1. **"COBRA is the only option."**
   It's the option that gets mailed to you in a packet. The Marketplace alternative, with subsidies based on your now-lower income, is usually significantly cheaper.
2. **"I have to decide right away."**
   You have 60 days to elect COBRA after qualifying. You also have 60 days to enroll on the Marketplace via the job-loss SEP. Use the time to compare.
3. **"COBRA is always cheaper than Marketplace."**
   Almost never, if you qualify for subsidies. With a job loss, your income may have dropped, meaning your subsidy eligibility may have increased. Don't auto-pick COBRA without checking.

60-DAY WINDOW:

You have 60 days from your qualifying event to elect COBRA OR enroll via the Marketplace SEP. Don't let either deadline slip.

Just lost coverage? Don't auto-pick COBRA. Call or text Craig, I'll help find the best plan that fits your medical and financial needs.

Don't go underinsured when you can be Insured AF.

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