

COBRA Tips®

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Must My Client Offer COBRA to an Illegal Alien?

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The following is an excerpt from [Questions and Answers from the COBRA Help Desk—Part III](#):

Broker: I have a client who just discovered that a recently terminated employee is an illegal alien. Is my client required to offer him COBRA continuation coverage?

OnQue: Neither the statute nor the regulations address this issue directly. However, the regulations provide that continuation coverage may be terminated for any reason the plan would terminate coverage for a similarly situated nonCOBRA enrollee.

A fraudulent act, such as submitting false information on an insurance application, may be considered sufficient justification for terminating coverage, provided the plan documents support that position. If that argument holds up, then it seems reasonable to conclude that the individual has no COBRA rights, because his participation in the plan was fraudulent in the first place. However, your client should consult with an attorney before denying continuation coverage to the former employee.