

Coordination of Benefits (COB) are guidelines that determine the order in which multiple insurance policies will pay a claim when a person is covered by more than one health or dental insurance plan.

### Primary & Secondary Insurance

**Primary Insurance:** This is the insurance policy that pays first. It is determined by certain rules, such as whose birthday comes first in the calendar year.

**Secondary Insurance:** This policy pays after the primary insurance has reimbursed its share. The secondary insurer may cover remaining eligible expenses the primary insurer did not cover, up to the plan's limits.

**Employee vs. Dependent:** If one plan covers you as an employee and another as a dependent, the 'employee' plan is primary.

**Birthday Rule:** For dependents covered by both parents' plans, the plan of the parent whose birthday (month and day, not year) comes first in the calendar year is primary.

### How Benefits are Paid?

\* The primary insurance pays first according to its policy terms. If there are remaining eligible expenses, the claim is then sent to the secondary insurer along with a copy of the Explanation of Benefits (EOB) from the primary insurer.

\* The secondary insurance considers the claim and may cover the remaining costs, however, it will not pay more than what would have been considered if it were the primary insurer.

### No Duplicate Payments

COB rules prevent the insured from receiving more than 100% of the total cost of the claim. This means if there are 2 policies, the combined payment from both cannot exceed the out-of-pocket expenses and the reasonable & customary cost of the service.

Even with the Coordination of Benefits there still may be out-of-pocket costs, such as deductibles, co-pays, or uncovered services; however, COB can help to minimize these expenses.

*\* This is not a legal document, and is intended solely for informational purposes.*