

119 (b) during the applicable grace period described in Subsection (3) or (4), an individual
120 who is eligible to elect to extend group coverage.

121 (10) ~~§→ [In addition to the notification required in Subsections (3) and (4), an employer~~
122 ~~shall require an]~~ An ←§ insurer or third party administrator that provides §→ [the employer's]
122a a ←§ group policy to §→ an employer shall ←§
123 provide a notice with the information described in Subsection (3)(a) in the notice of
124 cancellation of coverage that is sent to an employee by the insurer or the third party
125 administrator.

126 (11) (a) An employer who fails to comply with the notice requirement described in
127 Subsection (3) or (4) is subject to a fine of up to \$25 a day for each day after the date of the
128 failure.

129 (b) The penalty under Subsection (11)(a):

130 (i) does not apply to an employer that is subject to the requirements of the
131 Consolidated Omnibus Budget Reconciliation Act of 1985, Pub. L. No. 99-272, 100 Stat. 82;

132 (ii) may not be imposed if a penalty has been imposed under federal law for the same
133 failure; and

134 (iii) may not exceed \$500.

135 (c) An employer is not liable under Subsection (11)(a) if the employer is able to
136 demonstrate that the failure resulted from matters reasonably beyond the control of the
137 employer.

138 (d) Each violation under Subsection (11)(a) with respect to each individual described
139 in Subsection (3)(a)(i) through (iii) is a separate violation of this section.