

**APPENDIX D
CONTINUATION OF COVERAGE
SAMPLE DESCRIPTIONS**

This Appendix contains important information about continuation coverage which may be available to Covered Individuals under federal and/or Illinois law. It is provided for Group Subscriber's use in connection with its group health plan. It is also available on Delta Illinois' Web site. Part A describes continuation coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") for temporarily continuing coverage at group rates in certain instances when coverage would otherwise end. It applies to employers with 20 or more employees. Part B describes continuation coverage available during a leave under the Family and Medical Leave Act of 1993 ("FMLA") applicable to employers with 50 or more employees. Part C describes continuation coverage available to Subscribers who take a military leave and their eligible Dependents under the Uniformed Services Employment and Reemployment Rights Act ("USERRA"). It is applicable to group health plans. Part D describes the options available for a Subscriber's spouse and his/her eligible Dependents for continuing coverage under Illinois law.

Part A

**Continuation Coverage Rights Under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA")
(for employees and Dependents)**

The right to COBRA continuation coverage, which is a temporary extension of coverage, was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). COBRA continuation coverage can become available to you and to other members of your family who are covered under this group dental plan when you would otherwise lose your group dental coverage. ***The purpose of this Part A is to explain COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.***

The Plan Administrator is responsible for administering COBRA continuation coverage. The Plan Administrator may in the future arrange with a contract administrator to fulfill certain of the Plan Administrator's responsibilities pertaining to COBRA continuation coverage. In that event, the contract administrator will carry out many of the functions described in this section as being carried out by the Plan Administrator, such as sending notifications or receiving elections and Premiums. You will be advised by the Plan Administrator of the name, address and telephone number of the party responsible for administering COBRA continuation coverage if it is someone other than the Plan Administrator.

What Is COBRA Continuation Coverage?

COBRA continuation coverage is a temporary extension of coverage that would otherwise end because of a life event known as a "qualifying event" occurs and any required notice of that event is properly provided to the Plan Administrator. Specific qualifying events are listed later in this section. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." A qualified beneficiary is someone who will lose coverage under this group dental plan because of a qualifying event. Depending on the type of qualifying event, employees, spouses of employees, Dependent children of employees, and a child who is born to or placed for adoption with an employee during a period of continuation coverage may be qualified beneficiaries. Qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

In general, an individual (other than a child who is born to or placed for adoption with an employee during a period of continuation coverage) who is not covered under this group dental plan on the day before the qualifying event cannot be a qualified beneficiary with respect to that qualifying event. The reason for the individual's lack of actual coverage (such as the individual's having declined participation in the group dental plan or failed to satisfy conditions for participation in this group dental plan) is not relevant for this purpose. However, if the individual is denied or not offered group dental coverage under circumstances in which the denial of or failure to offer coverage constitutes a violation of applicable law, then the individual will be considered to have had the coverage that was wrongfully denied or not offered.

Continuation coverage is the same coverage that this group dental plan gives to other participants who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights and obligations under this group dental plan as other participants covered under this group dental plan, including, without limitation, the provisions governing open enrollment, coverage limits, payment policies and any managed care limitations or requirements.

What Qualifying Events Might Trigger COBRA Coverage?

If you are an employee, you will become a qualified beneficiary if you lose your coverage under this group dental plan because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage under this group dental plan because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- You become divorced or legally separated from your spouse.

Your Dependent children will become qualified beneficiaries if they lose coverage under this group dental plan because any of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee and other parent become divorced or legally separated; or
- Your child stops being eligible for coverage under your group dental plan as a Dependent.

How Close in Time Must the Qualifying Event Be to the Loss of Coverage?

For purposes of determining whether a qualifying event has occurred, a loss of coverage need not occur immediately after the event, so long as it occurs before the end of the maximum COBRA coverage period associated with that event. However, if neither the employee nor another qualified beneficiary loses coverage before what would be the end of such maximum coverage period, then the event is not a qualifying event.

If a potential qualified beneficiary's coverage is reduced or eliminated in anticipation of an event, the reduction or elimination is disregarded in determining whether the event causes a loss of coverage. For example, if you drop coverage for your spouse several months early in anticipation of a divorce or legal separation, then, upon receiving notice of the divorce or legal separation in a timely manner, continuation coverage will be made available to such person, effective on the date of the divorce or legal separation (but not for any period before the date of divorce or legal separation).

When Will Notice of a Qualifying Event Be Given Automatically to the Plan Administrator?

When the qualifying event is the end of employment, reduction of hours of employment, or death of the employee, the Plan Administrator will be deemed to have been notified automatically.

When Must You Give Notice of a Qualifying Event or Other Event that May Affect COBRA Coverage?

For other qualifying events that may trigger, extend, or otherwise affect the COBRA continuation coverage of you, your spouse, or your children, you are under an obligation to give written notice to the Plan Administrator of the event. **Failure to do so may trigger a loss of COBRA continuation coverage for you, your spouse, or your child or children.**

Either you, your spouse, your child, or a representative acting on behalf of you, your spouse, or your child may provide the notice. The events which trigger a responsibility on your part to notify the Plan Administrator in writing are as follows:

Divorce or Legal Separation. You must notify the Plan Administrator in writing if you become divorced or legally separated from your spouse. You must include with your written notice your name, address, contact telephone number, and a copy of the divorce decree or court order of separation. You must provide the written notice within 60 days of the date on which the divorce or legal separation occurs or the date on which your spouse loses (or would lose) coverage under this group dental plan as a result of the divorce or legal separation, whichever is later. If your coverage is reduced or eliminated and later a divorce or legal separation occurs, you must notify the Plan Administrator within 60 days after the divorce or legal separation that your coverage was reduced or eliminated in anticipation of the divorce or legal separation. You must provide evidence satisfactory to the Plan Administrator that your coverage was reduced or eliminated in anticipation of the divorce or legal separation.

Child Ceasing To Qualify for Coverage. You must notify the Plan Administrator in writing if one or more of your children stops being eligible under this group dental plan as a Dependent child. For example, if your non-disabled child loses status as a full-time student after having attained the limiting age for Dependent coverage, your child no longer qualifies for coverage under this group dental plan as a Dependent child. You must include with your written notice your name, address, contact telephone number, the name of your child, and an explanation of how your child ceased to be an eligible Dependent. You must provide the written notice within 60 days of the date on which your child ceases to qualify for coverage under this group dental plan or the date on which your child loses (or would lose) coverage under this group dental plan, whichever is later.

Second Qualifying Event. You must notify the Plan Administrator in writing if your family experiences a second qualifying event, while receiving 18 months of COBRA continuation coverage, that would extend the maximum period of continuation coverage from 18 (or 29) months to 36 months. Such second qualifying events may include the death of a covered employee, divorce or legal separation from the covered employee, or a Dependent child's losing eligibility as a Dependent child under the group dental program. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under the group dental program if the first qualifying event had not occurred. You must include with your written notice your name, address, contact telephone number, and a description of the second qualifying event and precisely when it occurred. You must provide the written notice within 60 days of the date on which the second qualifying event occurs or the date on which you or another qualified beneficiary loses (or would lose) coverage at the end of the initial maximum period of COBRA coverage, whichever is later.

Determination of Disability by Social Security Administration. You must notify the Plan Administrator in writing if the Social Security Administration determines that a qualified beneficiary is disabled. This disability has to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. You must include with your written notice your name, address, contact telephone number, the name of the disabled qualified beneficiary, and a copy of the determination by the Social Security Administration. You must provide the written notice within 60 days of (i) the date of the disability determination by the Social Security Administration, (ii) the date on which the qualifying event occurred, (iii) the date on which the qualified beneficiary loses (or would lose) coverage as a result of the qualifying event, or (iv) the date on which the qualified beneficiary is informed of the obligation to provide the disability notice, whichever is later.

Determination of End of Disability by Social Security Administration. You must notify the Plan Administrator in writing if the Social Security Administration determines that a qualified beneficiary is no longer disabled. You are required to notify the Plan Administrator only if notice of disability within the first 60 days of continuation coverage was given to the Plan Administrator in order to obtain the extension of COBRA coverage by reason of disability. You must include with your written notice your name, address, contact telephone number, the name of the formerly disabled qualified beneficiary, and a copy of the determination by the Social Security Administration. You must provide the written notice within 30 days of the date of the final determination by the Social Security Administration that the qualified beneficiary is no longer disabled.

When Does COBRA Coverage Start?

Once the Plan Administrator receives written notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. For each qualified beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will generally begin on the date of the qualifying event.

When Does COBRA Coverage Normally Last Up to 18 Months? When Does COBRA Coverage Normally Last Up to 36 Months?

When the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage lasts only up to a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended: (i) a qualified beneficiary becomes disabled; or (ii) a second qualifying event occurs. These two methods for extending continuation coverage are discussed below.

When the qualifying event is the death of the employee, your divorce or legal separation, or a Dependent child's losing eligibility as a Dependent child, COBRA continuation coverage lasts for up to 36 months.

When Does a Disability Extend COBRA Coverage Up to a Maximum of 29 Months?

If you or anyone in your family covered under this group dental plan is determined by the Social Security Administration to be disabled at any time during the first 60 days of the COBRA continuation coverage period, the COBRA continuation coverage period may be extended by 11 months to a total maximum of 29 months if certain conditions are satisfied. The conditions that must be satisfied are as follows:

- The qualifying event must be your termination of employment or reduction in hours;
- The qualified beneficiary (who may be you or your spouse or your Dependent child) must be determined under the Social Security Act to have been disabled at any time during the first 60 days of the COBRA continuation coverage period; and
- The qualified beneficiary must notify the Plan Administrator of the disability determination as set forth above under "When Must You Give Notice of a Qualifying Event or Other Event that May Affect COBRA Coverage?" ***This notice should be sent to the Plan Administrator at the address shown in this booklet.***

If the foregoing conditions are satisfied, the disability extension applies to all qualified beneficiaries (all family members who had coverage) with respect to the qualifying event, not only to the disabled qualified beneficiary.

If the qualified beneficiary (who may be you or your spouse or your Dependent child) is determined by the Social Security Administration to no longer be disabled, you must notify the Plan Administrator of that fact within 30 days of the Social Security Administration's determination.

When Does a Second Qualifying Event Extend the 18-Month Period of COBRA Coverage Up to a Maximum of 36 Months?

If your family experiences another qualifying event while receiving COBRA continuation coverage, the spouse and Dependent children in your family can get additional months of COBRA continuation coverage, up to a total maximum of 36 months. This extension is available to your spouse and Dependent children if you die, or get divorced or legally separated. The extension is also available to a Dependent child when that child stops being eligible under this group dental plan as a Dependent child.

When May COBRA Coverage Be Cut Off Early?

The right to continue group health plan coverage that has been elected for a qualified beneficiary will end before the last day of the maximum continuation coverage period upon the earliest of the following dates:

- The first day for which timely payment for continuation coverage is not made with respect to the qualified beneficiary.
- The date on which the employer ceases to provide any group dental plan coverage to any employee.
- The date, after the date of election of continuation coverage, upon which the qualified beneficiary first becomes actually covered under any other group dental plan (as an employee or otherwise) which does not contain any exclusion or limitation for any preexisting condition of that qualified beneficiary (other than an exclusion or limitation which does not apply to or is satisfied by the qualified beneficiary).

- The date your Plan Administrator terminates for cause the coverage of a qualified beneficiary on the same basis that your Plan Administrator terminates for cause the coverage of similarly situated enrollees who have not elected continuation coverage (such as filing fraudulent claims).

How Do You (or Another Qualified Beneficiary) Elect Continuation Coverage?

Each qualified beneficiary has an independent right to elect continuation coverage. For example, both you and your spouse may elect continuation coverage, or you may elect COBRA continuation coverage on behalf of your spouse. Parents may elect to continue coverage on behalf of their Dependent children only. A qualified beneficiary must elect coverage by the date specified on the election form provided by the Plan Administrator. Failure to do so will result in loss of the right to elect continuation coverage under this group dental plan. A qualified beneficiary may change a prior rejection of continuation coverage any time until that date. However, if you change your mind after first rejecting COBRA continuation coverage, your COBRA continuation coverage will begin on the date you submit the revised election.

How Much Does Continuation Coverage Cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent of the cost (including both the employer and employee contributions) for coverage of a similarly situated enrollee who is not receiving continuation coverage (or, in the case of an extension of continuation coverage due to a disability, 150 percent), plus any additional amounts that are permitted by COBRA. Required contributions for qualified beneficiaries electing continuation coverage may be increased by the employer from one year to the next.

When and How Must Your First Payment for Continuation Coverage Be Made?

If you elect continuation coverage, you do not have to send any payment for continuation coverage with the election form provided by the Plan Administrator. However, you must make your first payment for continuation coverage within 45 days after the date of your election. (This is the date the election notice is marked with a U.S. postmark, if mailed.) ***If you do not make your first payment for continuation coverage within that 45 days, you will lose all continuation coverage rights under this group dental plan.***

Your first payment must cover the cost of continuation coverage from the time your coverage under this group dental plan would have otherwise terminated up to the time you make the first payment. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. You may contact the Plan Administrator to confirm the correct amount of your first payment.

When and How Must Your Subsequent Payments for Continuation Coverage Be Made?

After you make your first payment for continuation coverage, you will be required to pay for continuation coverage for each subsequent month of coverage. Under this group dental plan, these subsequent periodic payments for continuation coverage are due on the first day of the month for which the contribution is made. If you make a periodic payment on or before its due date, your coverage under this group dental plan will continue for that coverage period without any break. You will not be sent periodic notices of payments due for these coverage periods.

Payment is considered made on the date it is sent to the Plan Administrator as evidenced by the U.S. postmark date.

Is There Any Grace Period for Your Subsequent Payments for Continuation Coverage?

Although subsequent periodic payments are due on the first day of the month for which you are requesting coverage, you will be given a grace period of 30 days to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment.

Should you fail to make a periodic payment before the end of the grace period for that payment, you will lose all rights to continuation coverage under this group dental plan. As a precondition for dropping coverage, the Plan Administrator must provide written notice to you that the payment has not been received. This notice shall be mailed to

you at least 15 days before coverage is to cease, advising that coverage will be dropped on a specified date at least 15 days after the date of the notice unless payment has been received by that date. Coverage for you will cease at the end of the 30-day grace period where the required 15-day notice has been provided.

To Whom Should You Direct Questions?

If you have questions about your COBRA continuation coverage, you should contact the Plan Administrator or you may contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration ("EBSA"). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's Web site at www.dol.gov/ebsa.

Keep the Plan Administrator Informed of Address Changes

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

Part B

Continuation Coverage Rights Under the Family and Medical Leave Act of 1993 ("FMLA") (for employees)

What Happens to Your Coverage If You Take a Leave of Absence?

Normally, you have no right to continue any coverage under this group dental plan while you are on a leave of absence unless you have exercised your rights described in Part A of this Appendix. The only exceptions are for leave under the Family and Medical Leave Act of 1993 ("FMLA") and military leave under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), as described in this section.

Leave Under the Family and Medical Leave Act

Continuation of group dental plan coverage and reinstatement of coverage under this group dental plan is available to employees and their covered eligible Dependents under certain specified conditions.

An employee who takes a leave of absence under the FMLA is entitled to continue coverage under this group dental plan for himself/herself and his/her covered eligible Dependents to the same extent as if the employee had been actively at work during the entire leave period permitted by FMLA, subject to the terms and conditions set forth below.

What Happens If Payments Are Not Made During FMLA Leave?

If you do not make the required payments for coverage for yourself (and any covered eligible Dependents), coverage will cease. Your payment must be received within 30 days of the date the payment is due. The obligation to maintain coverage under this group dental plan during FMLA leave ceases if the employee's contribution is more than 30 days late. As a precondition to dropping coverage during FMLA leave, the Plan Administrator must provide written notice to the employee that the payment has not been received. The notice shall be mailed to the employee at least 15 days before coverage is to cease, advising that coverage will be dropped on a specified date at least 15 days after the date of the notice unless payment of the contribution has been received by that date. Coverage for the employee and his/her eligible Dependents shall cease at the end of the 30-day grace period, where the required 15-day notice has been provided.

The employer may recover the employee's required contribution payments missed by the employee for any FMLA leave period during which the employer maintains coverage under this group dental plan by paying the employee's contribution after the payment is missed.

The employer reserves all rights, as permitted and as limited by the FMLA and its regulations, to recover its share of the applicable cost of coverage during a period of an unpaid FMLA leave for an employee if the employee fails to return to work after the employee's FMLA leave entitlement has been exhausted or expired.

Will Your Coverage Be Reinstated Upon Return from FMLA Leave?

If you decline coverage during your leave or if your coverage is terminated as a result of your failure to pay any required contributions, you shall, upon return from the leave permitted by the FMLA, be entitled to be reinstated to coverage under the group dental plan on the same terms as prior to taking leave, without any waiting period, physical examination, or exclusion as to preexisting conditions, but subject to the group dental plan's eligibility rules.

When Does COBRA Start If You Do Not Return from FMLA Leave?

If you take FMLA leave and do not return to work at the end of your leave, you and your covered eligible Dependents will be entitled to elect COBRA coverage if (i) they were covered under the group dental plan on the day before FMLA leave began (or became covered during FMLA leave); and (ii) they will lose group dental coverage within 18 months because of your failure to return to work at the end of FMLA leave. COBRA coverage elected in these circumstances will begin on the last day of FMLA leave, with the same 18-month maximum coverage period (subject to extension or early termination) generally applicable to the COBRA qualifying events of termination of employment and reduction of hours.

Part C

Continuation Coverage Rights under the Uniformed Services Employment and Reemployment Rights Act ("USERRA")(for employees)

Military Leave Under the Uniformed Services Employment and Reemployment Rights Act

In accordance with USERRA, continuation coverage under this group dental plan is available to employees/members (collectively referred to as "employees") who take military leave and their covered eligible Dependents under certain specified conditions. You must give the Plan Administrator written notice within 60 days of your absence from employment for military service of your desire to elect continuation coverage under USERRA.

The requirement of written notice within 60 days, however, does not apply if that type of notice is precluded by military necessity or if the giving of that type of notice is impossible or unreasonable under the circumstances. In that event, the notice may be as late as is reasonable under the circumstances. Similarly, the notice may be oral if written notice would be unreasonable under the circumstances.

Any extension of benefits period provided pursuant to this section will not postpone the starting date for measurement of the maximum period available for continuation of benefits pursuant to the COBRA continuation coverage provisions set forth in Part A of this Appendix. In other words, COBRA coverage and USERRA coverage will run concurrently because the events giving rise to the respective rights occur at the same time.

What Group Health Plan Coverage Will Be Provided?

You may elect to continue group dental coverage for yourself and your covered eligible Dependents if coverage would otherwise cease under this group dental plan due to your absence from employment by reason of your service in the uniformed services. To elect to continue group dental coverage under USERRA, you should complete the appropriate election and pay the applicable Premium, unless compliance with these requirements is precluded by military necessity or is otherwise impossible or unreasonable under the circumstances.

Benefits under this group dental plan for employees under an election for military leave continuation coverage shall be the same coverage as provided to all other enrollees. If benefits under this group dental plan are increased, decreased, or otherwise amended or changed either prior to or subsequent to the election of continuation coverage, the benefits provided pursuant to this continuation coverage will be the same as those available to all other enrollees. You may not, however, initiate new coverage at the beginning of a period of service if you did not previously have such coverage.

How Much Do You Have to Pay to Continue Your Health Plan Coverage?

If you elect to continue group dental coverage under USERRA, you may be required to pay up to 102 percent of the full Premium under this group dental plan (the same rate as with COBRA coverage). Notwithstanding the foregoing, in the

event you perform services in the uniformed services for less than 31 days, you will not be required to pay more than your share, if any, for such coverage.

How Long Does USERRA Coverage Last?

The maximum period of coverage available to all enrollees under the provisions of this section shall be the lesser of:

- (1) the 24-month period beginning on the date on which your absence for the purpose of performing service begins; or
- (2) the period beginning on the date on which your absence for the purpose of performing service begins, and ending on the date on which you fail to return from service or apply for a position of employment as provided under section 4312(e) of USERRA.

In the event you fail to pay the required Premiums, coverage will be cancelled. In addition, coverage will be terminated if you lose your rights under USERRA as a result of certain types of undesirable conduct, such as court-martial and dishonorable discharge.

If Coverage Was Terminated During Military Service, Must Coverage Be Reinstated Upon Reemployment?

If group dental coverage or your Dependent's coverage was terminated by reason of your service in the uniformed services, that coverage must be reinstated upon reemployment. An exclusion or waiting period may not be imposed in connection with the reinstatement of your coverage upon reemployment if an exclusion or waiting period would not have been imposed had your coverage not been terminated by reason of such service.

The group dental plan may impose an exclusion or waiting period as to illnesses or injuries determined by the Secretary of Veterans Affairs or his or her representative to have been incurred in, or aggravated during, performance of service in the uniformed services. Other coverage, for injuries or illnesses that are not service-related (or for an employee's eligible Dependents, if the employee has Dependent coverage) must be reinstated. The employer will reinstate your group dental coverage upon request at reemployment. You may not delay reinstatement of group dental coverage until a date that is later than the date of your reemployment.

Part D

Continuation Coverage Rights Under Illinois Law (for covered spouses)

Under Illinois law, the spouse of an employee/member (referred to collectively as "employee") may have a right to continuation coverage for him/herself and his/her Dependent children when they would otherwise lose group dental coverage. ***The purpose of Part C is to explain Illinois continuation coverage, when such coverage may become available to your spouse and Dependent children, and what your spouse needs to do to protect the right to receive it.***

What Is Illinois Continuation Coverage?

Illinois continuation coverage is a continuation of group dental coverage that would otherwise end because of a life event known as a "terminating event." Specific terminating events are listed below. An employee's spouse and Dependent children who were covered under the provisions of the group dental plan at the time of the terminating event will be eligible for Illinois continuation coverage.

Continuation coverage is the same coverage that this group dental plan gives to other enrollees who are not receiving continuation coverage. Each individual who elects Illinois continuation coverage will have the same rights and obligations under this group dental plan as other covered enrollees.

What Life Events Are "Terminating Events" That Trigger Illinois Continuation Coverage?

Your spouse will become eligible for Illinois continuation coverage for him/herself and eligible Dependent children if the spouse will lose coverage under the Plan because any of the following life events happens:

- You die;
- You become divorced from your spouse; or
- You retire (but only if your spouse is age 55 or over).

Is Your Spouse Required To Give Any Notice of a Terminating Event to Delta Dental or to the Plan Administrator?

Delta Dental will offer Illinois continuation coverage to a former spouse or retired employee's spouse (and Dependent children, if applicable) only after being notified in writing by either the spouse or the Plan Administrator that a terminating event has occurred. Your spouse must notify Delta Dental or the Plan Administrator in writing within 30 days after the terminating event occurs. If notice is sent to the Plan Administrator, the Plan Administrator, within 15 days of receiving such notice, must notify Delta Dental of the terminating event and the address of the former spouse or retired employee's spouse.

When Does Illinois Continuation Coverage Start?

Within 30 days of receiving notice that a terminating event has occurred, Delta Dental will notify the spouse via certified mail, return receipt requested, that coverage under the group dental plan may be continued for the spouse and covered Dependent children. If the spouse elects Illinois continuation coverage, such coverage will begin on the date of the terminating event.

How Long Does Illinois Continuation Coverage Normally Last?

When the terminating event is death of the employee or divorce and the former spouse is under age 55 at the time continuation coverage begins, Illinois continuation coverage lasts for up to two years.

When the terminating event is death of the employee, divorce, or retirement of the employee and the former spouse or retired employee's spouse has attained the age of 55 at the time continuation coverage begins, Illinois continuation coverage may last until the date the spouse reaches the qualifying age for or otherwise establishes eligibility under Medicare, unless continuation coverage is cut off before that date as described below.

When May Illinois Continuation Coverage Be Cut Off Early?

The right to continue group health plan coverage elected under Illinois law will end before the last day of the maximum continuation coverage period upon the earliest of the following dates:

- The first day for which timely payment for continuation coverage is not made to Delta Dental when due (including any grace period allowed under the group dental plan) by the former spouse or retired employee's spouse;
- For a spouse who was under age 55 when continuation coverage began, the date coverage would otherwise terminate for the employee, but not during the first 120 consecutive days following the employee's death or divorce, unless the group dental plan is modified or terminated as to all employees;
- For a spouse who had attained age 55 when continuation coverage began, the date coverage would otherwise terminate for the employee (except due to the retirement of the employee), but not during the first 120 consecutive days following the employee's death or divorce, unless the group dental plan is modified or terminated as to all employees;
- The date on which the former spouse remarries;
- The date on which the former spouse or retired employee's spouse becomes, after the date of election, an insured employee under any other group dental plan.

How Does Your Spouse Elect Continuation Coverage?

Your spouse has the right to elect continuation coverage for him/herself and any covered Dependent children. Delta Dental's notice to the spouse of the option to continue coverage under Illinois law will include the amount of periodic Premiums to be charged and the method and place of payment, as well as instructions for returning the election form. Within 30 days of receiving notice from Delta Dental, the spouse must notify Delta Dental by certified mail, return receipt requested, of his/her intent to continue coverage and pay the required initial Premium. ***Failure to exercise the option to continue coverage and pay the required initial premium within 30 days of receiving notice from Delta Dental will terminate the spouse's right to Illinois continuation coverage for him/herself and covered Dependent children.***

How Much Does Illinois Continuation Coverage Cost?

Generally, the spouse will be required to pay the entire cost of continuation coverage.

For a former spouse who has not reached age 55 when continuation coverage begins, the amount the spouse will pay may not exceed 100 percent of the cost to Group Subscriber (including both employer and employee contributions) for coverage of a similarly situated enrollee who is not receiving continuation coverage.

For a retired employee's spouse or a former spouse who has attained age 55 when continuation coverage begins, the amount the spouse will pay for the first two years of continuation coverage may not exceed 100 percent of the cost to Group Subscriber (including both employer and employee contributions) for coverage of a similarly situated plan participant who is not receiving continuation coverage. Beginning two years after continuation coverage begins, the amount the spouse pays for continuation coverage may include an additional charge, not to exceed 20 percent of the cost of the coverage to the Group Subscriber, for costs of administration.

Required contributions for spouses electing Illinois continuation coverage may be increased by the employer from one year to the next.

When and How Must the First Payment for Continuation Coverage Be Made?

If Illinois continuation coverage is elected, the spouse must send the initial payment for continuation coverage to Delta Dental with the election form provided by Delta Dental.

The first payment must cover the cost of continuation coverage from the time coverage under the group dental plan would have otherwise terminated up to the time the first payment is made. The spouse is responsible for making sure that the amount of the first payment is enough to cover this entire period. The spouse may contact Delta Dental to confirm the correct amount of the first payment and where that payment should be sent.

When and How Must Subsequent Payments for Continuation Coverage Be Made?

After the spouse makes the first payment for continuation coverage, he/she will be required to pay for continuation coverage for each subsequent month of coverage. Under this group dental plan, these periodic payments for continuation coverage are due on the first day of the month for which the contribution is made. If a periodic payment is made on or before its due date, coverage will continue for that coverage period without any break. Delta Dental will not send periodic notices of payments due for these coverage periods.

Is There Any Grace Period for Subsequent Payments for Continuation Coverage?

Although periodic payments are due on the first day of the month for which coverage is requested, the spouse will be given a grace period of 30 days to make each periodic payment. Continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment.

Payment is considered made on the date it is sent to Delta Dental as evidenced by the U.S. postmark date. ***If the spouse fails to make a periodic payment before the end of the grace period for that payment, he/ she will lose all rights to Illinois continuation coverage for him/herself and, if applicable, Dependent children.***

To Whom Do I Direct My Questions?

For questions about Illinois continuation coverage, you should contact Delta Dental.

Keep the Plan Informed of Address Changes

In order to protect his/her rights, the spouse should keep the Plan Administrator informed of any change of address. The spouse should also keep a copy of any notices he/she sends to the Plan Administrator or Delta Dental.

How Does Electing Illinois Continuation Coverage Affect My Spouse's Right to Continue Coverage Under COBRA?

A spouse who is eligible for continuation coverage under both Illinois law and COBRA due to a loss of group dental plan coverage may elect either Illinois or COBRA continuation coverage, but not both. Illinois and COBRA continuation coverage periods run at the same time and may not be added together. For example, an eligible spouse may not elect Illinois continuation coverage and then, when Illinois continuation coverage ends, elect COBRA continuation coverage.