

GENERAL PROVISIONS

If the occurrence of the event requires coverage to terminate and if there is a right to continue the group coverage, the election to do so must be made within a prescribed time period. You or your Dependents may be required to pay your own premium rates. Any continued coverage will be identical to that of similarly situated members of the group, including any changes (see your Dental Schedule of Coverage). Hence, changes in the group premium rates or benefits will change the premium rates or benefits for any continued coverage.

The continued coverage automatically terminates after a period of time (never to exceed three years) but will be terminated earlier upon the occurrence of certain circumstances. These circumstances include, but are not limited to, nonpayment of premium, entitlement to or coverage under Medicare and coverage under any other group health coverage which does not contain a limitation with respect to a preexisting condition of the Participant (even if such coverage is less valuable than your current health plan). Your Employer will give you more detailed information upon your request.

Information Concerning Employee Retirement Income Security Act of 1974 (ERISA)

If the Plan is part of an “employee welfare benefits plan” and “welfare plan” as those terms are defined in ERISA:

1. The Plan Administrator will furnish summary plan descriptions, annual reports, and summary annual reports to you and other Plan Participants and to the government as required by ERISA and its regulations.
2. The Claim Administrator will furnish the Plan Administrator with this Benefit Booklet as a description of benefits available under this Plan. Upon written request by the Plan Administrator, the Claim Administrator will send any information which the Claim Administrator has that will aid the Plan Administrator in making its annual reports.
3. Claims for benefits must be made in writing on a timely basis in accordance with the provisions of this Plan. Claim filing and claim review procedures are found in the **CLAIM FILING AND APPEALS PROCEDURES** section of this Benefit Booklet.
4. BCBSIL, as the Claim Administrator, is not the ERISA “Plan Administrator” for benefits or activities pertaining to the Plan.
5. This Benefit Booklet is not a summary plan description.
6. The Plan Administrator has given the Claim Administrator the limited authority to process claims per the terms and conditions of the Plan and to determine benefits in accordance with the Plan’s provisions. The Plan Administrator has full and complete authority to make decisions regarding the Plan’s provisions and determining questions of eligibility and benefit design. Any decisions regarding eligibility and benefit design made by the Plan Administrator shall be final and conclusive.

Plan Administrator delegated to Claim Administrator limited authority to administer claims in accordance with the terms of the Plan’s provisions and to make initial claim determinations and benefit determinations for appealed claims.

AMENDMENTS

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NOTICES

Continuation Coverage Rights Under COBRA

This notice contains important information about your possible right to COBRA continuation coverage, which is a temporary extension of coverage under this benefit program. The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), for certain larger group Employers. COBRA continuation coverage may be available to you and to other members of your family who are covered under the benefit program when you would otherwise lose your group dental coverage. Contact your Employer to determine if you or your group are eligible for COBRA continuation coverage.

This notice generally explains:

- COBRA continuation coverage;
- When it may become available to you and your family if your group is subject to the provisions of COBRA; and
- What you need to do to protect your right to receive it.

This notice gives only a summary of COBRA continuation coverage rights. For more information about the rights and obligations under the plan and under federal law, contact your Employer or see **Continuation of Group Coverage - Federal** in the **GENERAL PROVISIONS** section in this Benefit Booklet.

Either the Employer or a third party named by the Employer is responsible for administering COBRA continuation coverage.

COBRA Continuation Coverage

COBRA continuation coverage is a continuation of health care/dental plan coverage when coverage would otherwise end because of a life event known as a “qualifying event.” Specific qualifying events are listed later in this notice. COBRA continuation coverage must be offered to each person who is a “qualified beneficiary.” A qualified beneficiary is someone who will lose coverage under the health care/dental plan because of a qualifying event. Depending on the type of qualifying event, Employees, spouses of Employees, and Dependent children of Employees may be qualified beneficiaries. Under the Plan, generally most qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage. Contact the Employer and/or COBRA administrator for specific information for your Plan.

If you are an Employee, you will become a qualified beneficiary if you will lose your coverage under the 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 will lose your coverage under the 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;
- Your spouse becomes enrolled in Medicare (Part A, Part B or both); or
- You become divorced or legally separated from your spouse.

Your Dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens and if your group is subject to the provisions of COBRA:

- 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 becomes enrolled in Medicare (Part A, Part B or both);
- The parent becomes divorced or legally separated; or
- The child stops being eligible for coverage under the Plan as a Dependent child.

If the Plan provides dental care coverage to retired Employees, the following applies: Sometimes, filing a proceeding in bankruptcy under title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to the Employer, and that bankruptcy results in the loss of coverage of any retiree covered under the Plan, the retiree is a qualified beneficiary with respect to the bankruptcy. The retiree's spouse, surviving spouse and Dependent children will also be qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

The plan will offer COBRA continuation coverage to qualified beneficiaries only after the Employer has been notified that a qualifying event has occurred.

You must notify the Employer **within 30 days** when the qualifying event is:

- The end of employment;
- The reduction of hours of employment;
- The death of the Employee;
- With respect to a retired Employee dental coverage, commencement of a proceeding in bankruptcy with respect to the Employer; or
- The enrollment of the Employee in Medicare (Part A, Part B or both).

For the other qualifying events (divorce or legal separation of the Employee and spouse or a Dependent child losing eligibility for coverage as a Dependent child), you must notify the Employer. The plan requires you to notify the Employer **within 60 days** after the qualifying event occurs. Contact your Employer and/or the COBRA administrator for procedures for this notice, including a description of any required information or documentation.

Once the Employer receives 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 begin on the date that Plan coverage would otherwise have been lost.

COBRA continuation coverage is a temporary continuation of coverage. COBRA continuation coverage may last for **up to 36 months** when the qualifying event is:

- The death of the Employee;
- The enrollment of the Employee in Medicare (Part A, Part B or both);
- Your divorce or legal separation; or
- A Dependent child losing eligibility as a Dependent child.

When the qualifying event is the end of employment or reduction in hours of employment, COBRA continuation coverage lasts for up to 18 months. There are two ways in which this 18-month period of COBRA continuation can be extended:

Disability Extension of 18-Month Period of Continuation Coverage

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled at any time during **the first 60 days** of COBRA continuation coverage and you notify the Employer in a timely fashion, you and your entire family can receive **up to an additional 11 months** of COBRA continuation coverage, **for a total maximum of 29 months**. You must make sure that your Employer is notified of the Social Security Administration's determination **within 60 days** of the date of the determination and before the end of the 18-month period of COBRA continuation coverage. Contact your Employer and/or the COBRA administrator for procedures for this notice, including a description of any required information or documentation.

Second Qualifying Event Extension of 18-Month Period of Continuation Coverage

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 maximum of 36 months**. This extension is available to the spouse and Dependent children if the former Employee dies, enrolls in Medicare (Part A, Part B or both), or gets divorced or legally separated. The extension is also available to a Dependent child when that child stops being eligible under the Plan as a Dependent child.

In all of these cases, you must make sure that the Employer is notified of the second qualifying event **within 60 days** of the second qualifying event. Contact your Employer and/or the COBRA administrator for procedures for this notice, including a description of any required information or documentation.

If You Have Questions

If you have questions about COBRA continuation coverage, contact the Employer or 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.

In order to protect your family's rights, you should keep the Employer 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 your Employer.

Plan Contact Information

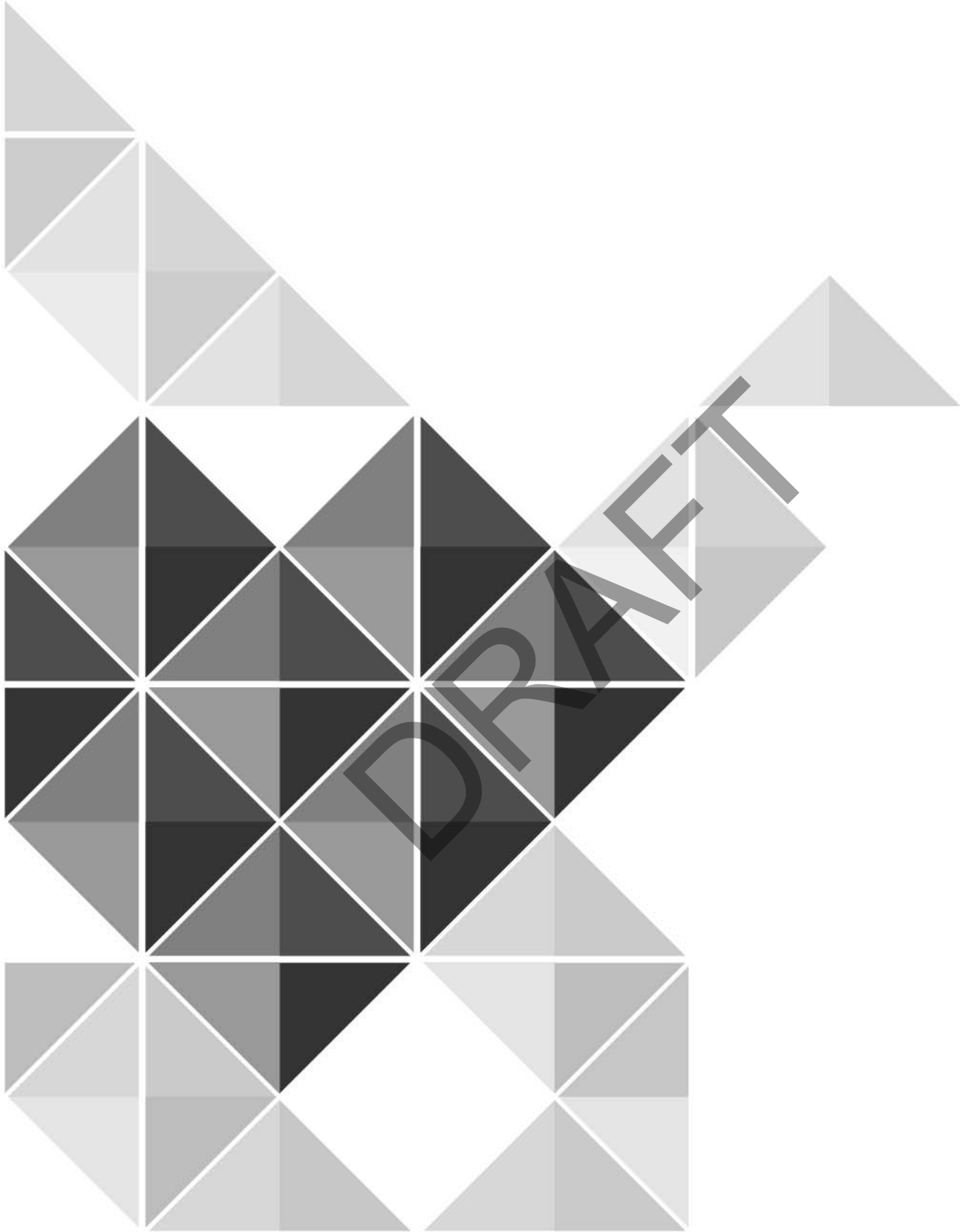
Contact your Employer for the name, address and telephone number of the party responsible for administering your COBRA continuation coverage.

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Administered by:



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of Illinois**



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