

Bankruptcy Related COBRA Questions

Q. Why are there bankruptcy related COBRA election rights?

Federal law requires that most group health plans (including the FCMP, DPMP and Vision Plan) give covered employees and their covered family members the opportunity to continue their healthcare coverage when there is a "qualifying event" that would result in the "loss of coverage" under an employer's health plan. For purposes of COBRA an employer's bankruptcy is a qualifying event.

Q. Who gets the bankruptcy related COBRA election?

Generally, the COBRA election rights under the Delta Pilots Medical Plan (DPMP) and Delta Family-Care Medical Plan were extended to participants in the following groups:

1) Retirees, survivors or spouses over age 65 who are enrolled on 12/31/06 in retiree medical or dental coverage under the DPMP or DFCMP or Delta vision coverage. In the case of the DFCMP medical and dental coverage and the vision coverage, the 65+ coverage is being eliminated on 1/1/07 and therefore creates a loss of coverage as defined in COBRA. In the case of the DPMP, there will be a substantial increase in the percentage paid for the coverage effective January 1, 2007 for age 65+ retirees, survivor and spouses and that also triggers COBRA rights.

2) Retirees, survivors or spouses under 65 who are enrolled in retiree medical or dental coverage under the DPMP or DFCMP on 12/31/06 also have COBRA election rights if they are required to pay a higher percentage of the premium for their retiree coverage under the DPMP or DFCMP on January 1, 2007.

Note that you must be enrolled in a type of coverage to get a COBRA election - for example, if you are enrolled in medical coverage but not dental coverage, you will not get a COBRA election for dental.

Q. Who does not get the bankruptcy related COBRA election?

COBRA is not available to eligible retirees, survivors or spouses who were not enrolled in the DFCMP or DPMP coverage on 12/31/06. This includes individuals who waived coverage entirely or those who were enrolled in an HMO. Also, you must be enrolled in a particular type of coverage under the DFCMP to be eligible for a COBRA election. For instance, if you are enrolled in dental but not medical coverage, you will not get a medical COBRA election, but may qualify for a COBRA dental election. In addition, DPMP or DFCMP participants who will not experience an increase in the percentage of premium they must pay for medical or dental coverage effective January 1, 2007 (such as

retired pilots under age 60 or retired ground employees under age 65 who are already paying 100% of the premium amount and some survivors) are not eligible for COBRA.

Q. I am already a COBRA participant. Do I have a bankruptcy related COBRA election?

No. If you or an enrolled family member are already on COBRA continuation coverage (for instance because you recently retired and elected COBRA at that time), you are not eligible for a lifetime COBRA election because there is no "loss of coverage" for you as required by COBRA.

Q. How can I tell if I or one of my dependents has a bankruptcy related COBRA election?

If you or your dependents are eligible for bankruptcy related COBRA, you will have COBRA options for yourself and/or your spouse and children listed on your Open Enrollment Worksheet that was sent to you with your enrollment package. For example, if the retiree is eligible for COBRA medical coverage, under the section entitled "Retiree Medical" on your Open Enrollment Worksheet you will see listed options that are designated with COBRA, along with the standard retiree coverages you are eligible for. Likewise if you are eligible for COBRA rights for dental coverage or vision coverage you will find listed options under Retiree Dental or Retiree Vision that state "COBRA". For your spouse or children, also look for options designated COBRA on the Enrollment Worksheet. For example, if your spouse is eligible for COBRA, the COBRA options are listed under the Spouse/Domestic Partner/Same Sex Spouse Medical, Dental or Vision sections, as applicable.

Q. I thought COBRA only allowed me to continue the option I was in at the time of the event. Why am I getting all of these different medical and dental coverages offered to me as "COBRA", as well as, my regular retiree elections for the same thing?

It is true that the COBRA law only requires a plan to offer a person the coverage option they were enrolled in the day before their event - in this case December 31, 2006. However, since it is also open enrollment for 2007 and since COBRA requires that COBRA enrollees also have a right to elect from among available options during open enrollment, if you are eligible for COBRA, you are getting both an open enrollment right for the applicable COBRA coverage (medical and/or dental) and for your retiree options. Therefore you might see on your Enrollment Worksheet "Preventive Dental Option" and "COBRA-Preventive Dental Option" even though you were enrolled in the DPMP on December 31, 2006. Note that COBRA coverage is always 102% of the applicable premium while your retiree options for that same coverage may be less (or in some cases more).

[Delta Retiree Open Enrollment COBRA FAQ Part 2](#)

Q. Do the retiree coverage options listed on my Open Enrollment Worksheet and the "COBRA" options listed with the same name (for example Standard Medical Option and COBRA - Standard Medical Option) cover the exact same services and expenses?

It depends. In the case of the DPMP COBRA, the services, expenses and other substantive provisions of the plan are the same as the DPMP retiree coverage. For example, if you are over 65 and elect DPMP or DPMP COBRA the plan will work the same way (secondary to Medicare) as either retiree or COBRA coverage and will cover the same services.

On the other hand, in the case of the Family-Care Medical Plan, there are differences between the COBRA coverage and the retiree coverage. This is because the COBRA coverage is tied to the plan design applicable to active employees. The coverage for active employees is changing for 2007, while the coverage under the same name for retirees is not changing. For instance, the COBRA -Standard option will have different prescription drug copays than the Retiree - Standard option.

These differences in the plan design are explained in detail in the "2007 Benefit Changes for the Delta Family-Care Medical Plan (DFCMP) COBRA Coverage" that was included in the enrollment packages sent to retirees or family members who have a COBRA election.. See the question below for other differences between COBRA and Retiree coverage.

Q. What are the other differences between "COBRA" coverage and "Retiree" Coverage?

COBRA has special rights associated with it that are described in the document called "Notice of Right to Elect COBRA Continuation Coverage" contained in your Delta enrollment package that you should review. But one primary difference lies in the amount and calculation of the premiums required for the COBRA coverage on the one hand and the Retiree coverage on the other hand. COBRA coverage requires you to pay 102% of the applicable cost of the coverage and this cost is based on the cost of the plan to similarly situated non-COBRA participants (generally, this is active employees) . On the other hand, the premium you pay for the retiree coverage may be less than 100% of the cost (these percentages depend on your age, whether you were in an early retirement program, etc.) Therefore in some cases the COBRA premium is more expensive than the retiree coverage for the same option.

Another difference is that under the current plan rule, retirees are permitted to enroll or disenroll in retiree coverage every year during the annual enrollment period. However, the opportunity to elect the Bankruptcy-related COBRA coverage is a one time opportunity. See the questions and answers below about the latest date that you can elect the bankruptcy related COBRA coverage if you are eligible for it.

Q. Doesn't COBRA only last eighteen months?

Usually COBRA coverage lasts for a maximum period of 18, 29 or 36 months. However, the maximum period for the bankruptcy related COBRA coverage is the lifetime of the retiree or survivor. After a retiree dies, the retiree's spouse and children may be eligible to continue the bankruptcy related COBRA coverage for up to 36 more months. COBRA coverage may end earlier than this maximum period if (1) required premiums are not paid on time; (2) the retiree, his spouse or children become covered under another group health plan after electing COBRA; or (3) Delta no longer provides group health coverage for any of its employees.

Q. How long will I have the right to elect the bankruptcy related COBRA?

A. If you are a ground (including flight attendant or flight dispatcher) retiree, spouse, child or survivor, your bankruptcy related COBRA right extends until March 2, 2007 (60 days after January 1, 2007). If you enroll in Delta or DALRC coverage during open enrollment, you may change your election to bankruptcy related COBRA, if eligible, up to the March 2, 2007 deadline. The process for changing coverage after January 1, 2007 will be communicated at a later time.

Our Section 1114 agreement with the Pilot Retiree Committee provides for a different election period for pilot retirees, spouses, children and survivors. The COBRA election period for pilot retirees, survivors and dependents remains open until March 2, 2007 or, if later, 60 days after the PBGC begins issuing pension payments to retired pilots. This difference is due to the unique issues applicable to pilot participants due to their ability to qualify for the Health Coverage Tax Credit See the "Health Coverage Tax Credit" Q&As below for more information.

Q. Can my spouse and I make decisions about COBRA coverage?

Yes. If both you and your spouse are offered a COBRA election, you may make independent decisions about whether to elect COBRA.

Q. My friend and I both retired from Delta at the same time. He has COBRA election choices and I don't. Why?

Every participant's situation is different and the decision whether someone is eligible for Bankruptcy related COBRA rights is a individualized determination.

Q. I thought my 2007 elections were binding after December 15, 2006. How can I elect COBRA until sometime in 2007?

The elections that you make during this open enrollment period which ends at 5 pm December 15, 2006 will be effective January 1, 2007. If you enroll in retiree coverage under the DFCMP or the DPMP and then decide before the end of the COBRA election period that you want to elect COBRA, you may drop your Delta retiree coverage, but your COBRA election will be effective back to January 1, 2007. If you do not make the COBRA election by the end of the

COBRA election period, you will not have another opportunity to elect the Bankruptcy related COBRA coverage.

Q. If I am age sixty-five or over and enroll in the DALRC Plan effective January 1, 2007 and then later decide I want to elect COBRA prior to the end of the COBRA election period, can I drop the DALRC plan at that time?

We understand that the DALRC Plan will let you drop coverage under these circumstances. However, you should review the DALRC Plan materials and/or discuss any questions you have about this, including whether or not you would be permitted to reenroll in the DALRC Plan again after dropping coverage, with Marsh, the DALRC plan administrator. You can contact Marsh at (800) 923-4461. Keep in mind that if you elect to enroll in COBRA coverage the effective date will be January 1, 2007.

Q. If I enroll in COBRA before the end of the retiree enrollment period (December 15, 2006) can I go back to the DPMP or DFCMP later in 2007?

If you enroll in COBRA before December 15, 2006 and then later decide to drop that coverage before the end of the COBRA election period (March 2, 2007, or for pilots, the 60th day after the PBGC begins to pay pension payments from the Delta Pilots Retirement Plan), you have a one-time opportunity to re-enroll in the DFCMP (if under age 65) or DPMP retiree coverage at that time. If you decide to drop COBRA coverage after the end of the COBRA election period, you may generally not reenroll in the DFCMP (if under age 65) or DPMP until the next open enrollment period.

If you are age 65 or over, and have questions about enrolling in the DALRC Plan after January 1, 2007, please check the DALRC website <https://www.ebview.com/dalrc/welcome.do> or call Marsh at (800) 923-4461.

Q. What happens to my Bankruptcy related COBRA rights if I enroll in COBRA coverage and later drop it?

You are able to drop COBRA coverage and reenroll in it again until the end of the COBRA election period (March 2, 2007, or for pilots, the 60th day after the PBGC begins to pay pension payments from the Delta Pilots Retirement Plan). The COBRA coverage effective date is January 1, 2007. However, after the end of the COBRA election period, if you drop COBRA coverage, you have waived your rights to bankruptcy related COBRA forever.

Q. If I enroll in Bankruptcy related COBRA; will I still get an annual open enrollment election for Delta retiree coverage?

If you are a retiree, spouse or survivor under age 65 or a pilot retiree, spouse or survivor, you have the opportunity once per year during annual enrollment to switch from COBRA to the Delta retiree coverage applicable to you. However, once you make the election to drop COBRA

coverage, you will have waived your COBRA rights forever and will not be allowed to reenroll again in the COBRA coverage

Q. I am a retiree. If I elect the Bankruptcy related COBRA coverage and then die, what happens?

Your spouse and children who were enrolled in coverage on December 31, 2006 (or a new child that is promptly added to coverage within 30 days of birth or adoption) have the right to continue the Bankruptcy related COBRA coverage for a maximum of 36 months following your death. If those family members also qualify for survivor benefits under Delta's survivor benefit plans (the D&S Plan), then, under current plan rules, they will also receive an election at the time of your death and at annual enrollment for any applicable Delta retiree or survivor coverage. You should check with Marsh at (800) 923-4461 as to whether a survivor over age 65 can elect the DALRC plan at the time of the retiree's death or when the COBRA continuation period has expired.

Q. I am over the age of 65. Why am I getting a COBRA election for vision?

Delta vision coverage for participants age 65 and older is being eliminated. This triggers a bankruptcy-related COBRA right for age 65+ retirees, 65+ spouses and 65+ survivors enrolled in vision coverage on December 31, 2006.

Q. If I am age 65 or older and elect COBRA, will I be eligible for the Delta subsidy?

No. Those eligible for the Delta subsidy will only have that subsidy applied to the DPMP (for pilots) and the DALRC Medical and Prescription Drug Plans.

Q. If I enroll in the bankruptcy related COBRA can my rates increase?

Yes. COBRA premiums can increase and this typically happens once a year. You will be informed at annual enrollment each year the amount of the COBRA premium.

Q. If I enroll in the bankruptcy related COBRA can the plan coverage change?

Yes. The COBRA coverage can change. Typically this happens on an annual basis.

Q. I was offered COBRA when I retired and am still on that coverage (this not Bankruptcy related COBRA). My 18 months will be up prior to January 1, 2008. When can I opt back in to Delta coverage?

If you are on non-bankruptcy COBRA coverage (administered by Ceridian) now and retired on or before June 1, 2006 you have two options:

Option 1: Continue your Ceridian COBRA coverage until your coverage eligibility period is over.

This is usually 18 months after you elected coverage. If you select this option you will have to wait until 2008 Open Enrollment to opt back into Delta coverage.

Option 2: Opt back in to Delta coverage during this open enrollment, to avoid any lapse in coverage.

If you are on Ceridian (non-bankruptcy related) COBRA and retired after June 1, 2006, you can opt back in to Delta coverage when your Ceridian coverage period ends. You do not have to wait until the next open enrollment.

Q. Does Ceridian administer Bankruptcy Related COBRA?

No Bankruptcy related COBRA is administered through the Employee Service Center. You should call 1-800- MYDELTA for questions if you enroll in this type of COBRA.

Q. Should I enroll in Bankruptcy related COBRA coverage?

Delta cannot give any advice on which option to select. Please refer to the detailed information about COBRA provided in your enrollment package, coverage information, the applicable premiums and other available information to decide if COBRA is the right choice for you.

Q. What will happen to COBRA coverage if Delta is acquired by another company or goes out of business?

We cannot speculate or comment on events that have not occurred. However, events that end rights to bankruptcy related COBRA coverage are discussed in the "Notice of Right to Elect COBRA Continuation Coverage" included in your enrollment package.

For Further Information:

1114 Committee

<http://www.delta1114.org>

Marsh(DALRC) Call Center Phone Number

(800) 923-4461

Operational Monday-Friday 7:30am-8:00pm CST.

DALRC

<http://www.dalrc.org>