



INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW

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September 18, 2009

To: All UAW Chrysler Local Union Presidents, Benefit Representatives, and Chairpersons

Re: **Replacement Dental and Vision Coverage Options for UAW-Represented Chrysler Retirees**

Greetings:

As part of the recent bankruptcy and government-sponsored restructuring of Chrysler, dental and vision coverage was eliminated for UAW-represented Chrysler retirees. The UAW has reviewed a variety of programs through which retirees who wish to do so can purchase substitute dental coverage on an individual basis. Options include continuing existing group coverage through COBRA, or purchasing an individual insurance policy.

There is no single “best” option. Retirees will need to make individual decisions, based on their individual situations. The best advice we can provide is to carefully study the benefits and cost of alternative coverages.

Individual Dental Coverage

We have reviewed offerings from providers based on scope of network, ability to manage the transition (and avoid “waiting periods” and other transition difficulties for retirees), continuity of coverage, quality of service and network, and level of benefits.

Based on our review, it appears that the individual dental coverage offered by Delta Dental would provide retirees with coverage that is similar (although not identical) to their former group plan. Delta will offer both a “low option” and “high option” program, at differing costs. Retirees who desire individual dental insurance coverage can choose the program that best fits their needs.

Delta Dental has also indicated that it will waive the “waiting periods” and exclusions that would otherwise apply to new enrollees for UAW-represented Chrysler retirees who sign up before **November 1, 2009**.

The enclosed letter is being sent to Chrysler retirees over the next few weeks. Please be advised that Delta is the only provider whose coverage terms the UAW has reviewed which meets the standards we established. Other vendors should not be given opportunities to solicit our retired members.

Vision Coverage

Retiree vision coverage was also eliminated in Chrysler's bankruptcy. Individual vision coverage is not an established insurance product. After a review of providers' offerings, it appears that retirees who wish to maintain this coverage would be best served by electing COBRA, as described below.

COBRA Issues

Chrysler recently distributed COBRA enrollment materials for both dental and vision coverages. Compared to an individual policy, COBRA provides dental benefits that are identical to prior coverage – including lower coinsurance, higher annual maximums, and coverage of orthodontic services. Depending on an individual's age, geographic location, and type of coverage (individual, 2-person, family; "low option" vs. "high option"), the cost of this COBRA coverage may be either more or less than the cost of an individual policy.

Retirees should consider both the COBRA option, as well as the individual offerings provided by Delta described above, and decide what is the right program for their family.

As noted above, we were not able to identify an appropriate individual insurance product for vision coverage. Retirees who wish to continue vision coverage on a self-paid basis should therefore consider the vision benefits described in the COBRA materials recently distributed by Chrysler.

Note: Delta Dental is offering individual coverages directly to the retirees. This is not a group policy and the UAW is not the sponsor of any group policy for dental or vision benefits. Further, this information should not be construed as an endorsement by the UAW of any particular insurance product. The UAW is making this information available to retirees and surviving spouses in an effort to help those individuals identify and obtain appropriate substitute coverage in view of Chrysler's termination of dental and vision coverage.

As always, your assistance in helping to get this information out to the correct parties is greatly appreciated.

In solidarity,



General Holiefield
Vice President and Director
UAW Chrysler Department

GH:sb
opeiu494
cc: Chrysler Servicing Staff
Regional Directors