This benefit does not require annual re-enrollment.

Dental

NEW FOR 2008!

The NCFlex pre-tax dental plans will now be administered by United Concordia, a national dental insurer with more than 35 years of dental experience. Your current dental plan election will carryover to United Concordia, unless you make a change during annual enrollment.

With studies showing that dental health is related to your overall health, there's never been a better time to have a quality dental plan. Recent research even links oral health to conditions like diabetes, heart disease and osteoporosis. Fortunately, most oral health problems are preventable and with the NCFlex pre-tax dental plan, you can help ensure the health of your smile and your body.

PRE-TAX DENTAL PLANS — HIGH & LOW OPTIONS

NCFlex offers two dental plan options from United Concordia including:

- High Option
- Low Option

Payments for both plans are deducted on a pre-tax basis, which means either option offers you tax savings not available on after-tax plans. As traditional dental plans, both options also allow you to visit any dentist.

United Concordia provides customer service options online or by phone. Your ID card will include United Concordia's toll-free customer service number, which allows you to access their automated system, 24/7, or talk to a representative 8 am to 8 pm Monday-Friday.

You can register online to use *My Dental Benefits* after you receive your welcome kit. *My Dental Benefits* offers secure access to dental benefits information, including eligibility, claim status, payment detail, student certification form, dental health information and more.

ENROLLING IN AN NCFLEX DENTAL PLAN

To avoid waiting periods for dental services, it is important to enroll you and your dependents in an NCFlex dental plan when first eligible. Changing a dental benefit election also could subject you or your dependents to waiting periods. Refer to the "*Benefit Waiting Period*" chart within this section.

If you are currently enrolled in NCFlex dental, you are not required to re-enroll. If you do not want to make changes to your benefit selection, your dental coverage will automatically continue for 2008.

COST*

Your cost per month for the Dental Plan High and Low Options are as follows:

Rate Tier* Effective January 1, 2008	High Option	Low Option
Employee Only	$ 33.26	$ 18.98
Employee and Spouse	$ 66.74	$ 38.28
Employee and One Child	$ 64.02	$ 36.74
Employee and Two or More Children	$ 80.92	$ 46.82
Family	$117.82	$ 65.54

***Rates are guaranteed until December 31, 2009**

ELIGIBLE DEPENDENT

Eligible dependents include your spouse or unmarried dependent child(ren) up to age 19, or if enrolled as a full-time student up to age 26. A Student Verification Form verifying the full-time student status of eligible dependents must be filed annually with United Concordia in order for claims to be processed. For more information on dependent eligibility, refer to the "2008 Dependent Eligibility" section.

CHANGING DENTAL PLAN OPTIONS

Once you select your dental plan option, you must keep that option for the entire plan year. You may change your dental option (for example, Low Option to High Option or High Option to Low Option) during the annual enrollment period; however, waiting periods may apply. The "*Benefit Waiting Period*" chart in this section provides information on how the waiting period impacts the date benefits are payable for each type of service.

COORDINATION WITH THE HEALTH CARE FLEXIBLE SPENDING ACCOUNT (HCFSA)

You can also set aside money from your pay on a pre-tax basis for out-of-pocket dental expenses under the HCFSA — whether you select dental coverage or not. You can be reimbursed for dental expenses not covered by an insurance plan. The dental expenses can be for you, your spouse or dependent children. The date you or your covered dependents receive service (incur expenses) must be during the plan year when your coverage is effective. **To participate, you must enroll in the HCFSA each year.**

The Dental Plan is administered by United Concordia and underwritten by United Concordia Life and Health Insurance Company. For information regarding claim payment, refer to the Certificate of Coverage found at www.ncflex.org.

SUMMARY OF BENEFITS

Covered Services (Partial Listing):
A comprehensive listing of services may be found in your Certificate of Coverage. **Payments for services are subject to maximum amounts allowed by the plan.**

BENEFIT CATEGORY	High Option Plan Pays	Low Option Plan Pays
Plan Changes **Type I—Diagnostic and Preventive**		
Oral Examinations (2 per calendar year)	100%	
Cleanings (2 per calendar year)		
X-rays (bitewing x-rays—2 per calendar year; full mouth x-rays—every 3 years)		
Topical Fluoride (2 per calendar year under age 19)		
Sealants for First and Second Molars (under age 16)		
Space Maintainers (under age 19)		
Plan Changes **Type II—Basic Services**		
Fillings (amalgam, synthetic or composite; replacements limited to once every 12 months)	80%	
Simple Extractions		
Endodontics (root canal treatment)	80%	50%
General Anesthesia		
Oral Surgery (wisdom teeth extractions)		
Recement Crowns, Inlays, Bridges		
Repair of Removable Dentures		
Periodontic Services (gingivectomy, gingivoplasty, osseous surgery, scaling and root planing)	50%	
Type III—Major Services (Not covered under the low option plan)		
Crowns, including Single Implant Crowns (replacements limited to every 5 years; not eligible for dependent children under age 14)	50%	Not Applicable
Inlays and Onlays (replacements limited to every 5 years)		
Dentures (replacements limited to every 5 years)		
Bridges (replacements limited to every 5 years)		
Fixed Bridge Repairs		
Denture Adjustments/Relining (within 6 months of initial denture placement)		
Plan Changes **Type IV—Orthodontics (Not covered under the low option plan)**		
Dependent children, up to age 19, participating in the High Option Plan are eligible for orthodontic benefits. Benefits are payable for treatment plans that begin after the benefits waiting period, if applicable, is completed.	50%	Not Applicable
Plan Changes **Maximums/Deductibles**		
Calendar Year Maximum (per covered person; excludes orthodontic services under the High Option)	$1,250	$1,000
Lifetime Orthodontic Maximum (per covered person)	$1,500	N/A
Calendar Year Deductible (per person/per family)	$50/$150 for Types II and III only	$25/$75 for Types I and II

PRE-DETERMINATION OF BENEFITS

If the estimated charges for a particular dental service are expected to be $300 or more, United Concordia encourages you to request a predetermination. To request a predetermination, just ask your dental provider to submit the proposed treatment plan, applicable x-rays and estimated charges to United Concordia before the work begins. This provides an opportunity for you, your dentist and United Concordia to review the proposed course of treatment and estimated fees before services begin. Refer to the Dental Claim Processing Guide at www.ncflex.org for details.

IMPORTANT NOTE

Claims must be filed and received by the dental plan within 365 days from the date of service.

Plan Changes

WAITING PERIODS FOR NCFLEX ELIGIBLES CURRENTLY ENROLLED IN A STATE-SPONSORED AFTER-TAX DENTAL PLAN

If you participate in an after-tax dental plan sponsored by a State of North Carolina agency, university or select community college, you may enroll in one of the NCFlex dental plan options with full credit applied toward waiting periods for the types of services covered under the after-tax dental plan, if:

- you and/or your dependents are currently enrolled in the after-tax plan and that coverage continues through 12/31/07, and
- you and/or your dependents enroll in an NCFlex dental plan option during the NCFlex 2008 annual enrollment period.

The specific services for which benefit waiting periods are waived depends on the type of coverage you had under the after-tax dental plan. Refer to the *"Benefit Waiting Period"* chart in this section. For orthodontic work in process, the lifetime maximum will include any reimbursement received from the prior carrier.

WAITING PERIODS

The benefit waiting period refers to the amount of time the employee or dependent must be covered by the plan or a qualified after-tax plan (see *"Benefit Waiting Period"* chart) before specified benefits are payable. The plan will not pay for (and covered dental services do not include) charges incurred by the insured individual or dependent before the completion of the benefit waiting period. **The *"Benefit Waiting Period"* chart in this section provides information on how the waiting period impacts the date benefits are payable for each type of service.**

EXCLUSIONS

This is a partial listing of the exclusions listed with the plan policy. Please refer to your plan certificate for a complete listing. If there are any discrepancies, the plan policy certificate and/or contract shall govern.

The policy will **not** pay for the following dental expenses and services:

- crowns, inlays, cast restorations or other laboratory-prepared restorations on teeth which may be restored with an amalgam or composite resin filing;
- procedures, services or supplies which: (a) are not included in the policy's list of covered dental services; or (b) have been rendered before the insured's insurance begins; or (c) have been rendered before any applicable waiting period has been served; or (d) have been rendered after the insured's insurance ends, except as defined under the plan policy;
- any procedure, service or appliance, which relates to: (a) the change in bite; or (b) the alteration of the bite with the exception of periodontal surgery; or (c) bite registration; or (d) bite analysis; or (e) occlusal guard;
- dental implants (single implant crowns are covered under the High Option plan); pulp caps; adult fluoride treatments; athletic mouth guards; replacement of lost or stolen appliances; myofunctional therapy; infection control; oral hygiene instruction; separate charges for acid etch; treatment of jaw fractures; orthognathic surgery; personal supplies; broken appointments; completion of claim forms; exams required by a third party; travel time; transportation costs; professional advice given on the phone;
- procedures, services or supplies, which do not have a reasonably favorable prognosis, as determined by us;
- any procedure, service or supply provided primarily for cosmetic purposes;
- services or supplies received as a result of disease, defect or injury due to war or an act of war (declared or undeclared), taking part in a riot or insurrection, or committing or attempting to commit an assault or felony; or
- treatment performed outside of the United States of America, other than emergency treatment. However, for such emergency treatment, the maximum allowable charge shall not exceed the plan's allowable charge.

BENEFIT WAITING PERIOD

Status of Employee	Waiting Period
New Hire (within 30 days)	**High Option** • No waiting period for Type I (Diagnostic & Preventive), Type II (Basic) and Type III (Major) services • 12-month waiting period for Type IV (Orthodontic) services (*dependent children up to age 19*)* **Low Option** • No waiting period for Type I (Diagnostic & Preventive) and Type II (Basic) services
Current *Low Option NCFlex Dental* Plan Participant	**Switch to the High Option** • 12-month waiting period for Type III (Major) and Type IV (Orthodontic) services*
Current *High Option NCFlex Dental* Plan Participant	**Switch to the Low Option** • No waiting periods for any covered services
Your current after-tax Dental Plan is a Low Option Plan	**Low Option** • No additional waiting period for Type I (Diagnostic & Preventive) and Type II (Basic) services if enrolled in the after-tax plan and that coverage continues through 12/31/07 **High Option** • No additional waiting period for Type I (Diagnostic & Preventive) and Type II (Basic) services if enrolled in the after-tax plan • 12-month waiting period for Type III (Major) and Type IV (Orthodontic) services*
Your current after-tax Dental Plan is a High Option Plan *with* an orthodontic benefit	• No additional waiting period for Type I (Diagnostic & Preventive), Type II (Basic), Type III (Major) and Type IV (Orthodontic) services* if enrolled in the after-tax plan and that coverage continues through 12/31/07
Your Current after-tax Dental Plan is a High Option Plan *without* an orthodontic benefit	• No additional waiting period for Type I (Diagnostic & Preventive), Type II (Basic) and Type III (Major) if enrolled in the after-tax plan and that coverage continues through 12/31/07 • 12-month waiting period for Type IV (Orthodontic) services (High Option only and *dependent children up to age 19*)*
Late Entrant (includes employees who are not participating in NCFlex Dental or qualified after-tax dental programs, but are covered under a spouse's employer-sponsored plan)	**Low Option** • Type I (Diagnostic & Preventive) services are covered in the first plan year of coverage • 12-month waiting period for Type II (Basic) services **High Option** • Type I (Diagnostic & Preventive) services are covered in the first plan year of coverage • 12-month waiting period for Type II (Basic), Type III (Major) and Type IV (Orthodontic) services*
Family Status Change to add dependent due to marriage, birth/adoption/ placement for adoption	• No waiting period for any services if the family status change procedure is completed within 30 days of the event • Cannot move from one NCFlex dental plan to the other (i.e., from Low to High or High to Low)

Dependent children, up to age 19, participating in the High Option Plan are eligible for orthodontic benefits. Benefits are payable for treatment plans which begin after the benefit waiting period is completed. For orthodontic work in process, the lifetime maximum will include any reimbursement received from the prior carrier.