



SUMMARY OF MATERIAL MODIFICATIONS

American Eagle Airlines, Inc. – Health and Welfare Benefit Plans

This document serves as notice to American Eagle Airlines, Inc. active and Leave-of-Absence employees of changes to the Company-sponsored health and welfare benefit plans listed below. This Summary of Material Modifications describes the changes that affect your benefit plans, and updates your summary plan descriptions. This Summary of Material Modifications, together with the Employee Benefit Guide, make up the official plan documents and summary plan descriptions. **Please read this notice carefully, and place this notice with your summary plan description(s) (the Summary Plan Descriptions are contained in the Employee Benefit Guide (“EBG”)). These changes are effective January 1, 2006, unless otherwise stated elsewhere in this document.**

- Group Life and Health Benefits Plan for Employees of Participating AMR Corporation Subsidiaries (Plan 501, EIN #13-1502798)

Eagle Group Life and Health Benefits Plan

Change the Plan’s medical management/QuickReview administrator to UnitedHealthcare (UHC)

- Effective January 1, 2006 SHPS will no longer provide medical management services to American Eagle, including the QuickReview process. If an employee has a surgery or a hospitalization planned on or after January 1, 2006 the employee or his/her physician should contact UHC for QuickReview.
- Any references throughout the EBG to “Health International”, “SHPS” or “HI” are replaced with **UHC**.
- In the “Contact Information” section of the EBG (page 1), the following information is revised as follows:

QuickReview (Pre-authorization fro hospitalization)		
Out-of-Area Coverage, PPO-Deductible, PPO-Copay and Minimum Coverage Options and Supplemental Medical Plan	UnitedHealthcare AMR Medical Claim Unit P.O.Box 30551 Salt Lake City, UT 84130-0554	(800) 592-3048 (Select QuickReview at the prompt)

Establish a new contact number for UnitedHealthcare

- All references to phone number (800) 638-9599 throughout the EBG are replaced with (800) 592-3048.

Change in copayments and coinsurance amounts in the PPO-Copay Option

- Under “Special Provisions” section “Co-payments vs. coinsurance” (page 52), the first sentence in the second paragraph is revised as follows:
For services received in a network hospital-based setting, you pay a \$150 annual copayment, and then you pay the 20% coinsurance (a percentage of the cost).
- Under “Special Provisions” section “Hospital out-of-pocket maximum” (page 52), the first sentence is revised as follows:
You pay 20% coinsurance for network hospital-based services up to an annual out-of-pocket maximum of \$1,500 per covered person per year after you satisfy the \$150 annual copayment.

Increase deductible amounts in the PPO-Deductible Option

- Under “Special Provisions” section “Deductibles” (page 48) the paragraph is revised as follows:
You pay an annual \$250 per person deductible under the Out-of-Area Coverage option with a family deductible of \$750. Under the PPO-Deductible option, you pay an annual \$250 per person, \$750 family deductible for

network services and an annual \$500 per person deductible for services received by out-of-network providers. Under the Minimum coverage option, you pay an annual deductible of \$1,000 per person or \$2,000 pr family.

Add preventive care coverage in the Out-of-Area Option

- Under “Special Provisions” section “Preventive Care” (page 49) remove the sentence and replace with the following two bullets as follows:
 - **Under the Minimum Coverage and PPO-Deductible Options, well-child care (for children up to age 2) and periodic mammograms are covered.**
 - **Under the Out-of-Area Coverage Option annual routine physical exams, well-woman exams, and well-child exams provided by your network PCP or a network obstetrician/gynecologist are covered after satisfying the annual deductible.**

Eliminate the pre-existing condition exclusion in the PPO-Copay, PPO-Deductible, Minimum Coverage, and Out-of-Area Options

- The pre-existing condition section, including the header and all related paragraphs found on pages 39 & 40 should be deleted in its entirety

Increase maximum member coinsurance amounts in the Prescription Drug Benefit

- Under “Retail Drug Coverage” (page 66) the second paragraph is revised as follows:

When you use network pharmacies, you pay \$10 for generic drugs or 30% of the cost for brand name drugs (up to a maximum of \$100) if no generic is available, or 50% of the cost of a brand drug when there is a generic available, for up to a 30-day supply of any medically-necessary covered prescription, including psychotherapeutics.
- Under “Mail Service Prescription Drug Option” (page 68) replace the two bullets with a paragraph as follows:

Brand name drugs: 30% of the cost of the drug, up to \$250 maximum per prescription or refill if no generic is available or 50% of the cost of the brand drug when there is a generic available.

Changes to the Medical Benefit Options Comparison table

- Replace the Medical Benefits Options Comparison table on pages 40-47 with the table contained in the attached appendix.

Addition of TriCare Supplement Insurance Option as a Medical Benefit Option for Active and Leave of Absence Employees

- In the “Contact Information” section of the EBG, (page 1), the following information is added:

TriCare Supplement Insurance Option Enrollment, member services, etc. inquiries	ASI 2301 Research Blvd., Ste 300 Rockville, MD 20850-6265	(800) 638-2610, Ext. 255 (800) 311-3124 (fax) Web site: www.asicorporptricaresupp.com Email: custsvc@asicorporation.com
TriCare Supplement Insurance Option Claim inquiries	ASI PO Box 2510 Rockville, MD 20847	(800) 638-2610, Ext. 255 (800) 310-5514 (fax)
DEERS (Eligibility for TriCare)	Defense Manpower Data Center Support Office (DMDC) Attn: COA 400 Gigling Road Seaside, CA 93955-6771	(800) 538-9552 (800) 866 363-2883 (for TTY/TTD) (831) 655-8317 (Attn: CSO) (fax) Email: addrinfo@osd.pentagon.mil Online: https://www.dmdc.osd

In the “Benefits at a Glance” section, “Medical Benefit Options” (page 5); a sixth bullet is added to the list of medical benefit options:

- *TriCare Supplement Insurance*

In the “Benefits at a Glance” section, “Medical Benefit Options” (page 6), the following text is added:

TriCare Supplement Insurance Option