

Quick Facts on New Plans and Lower Rates for 2012–2013

ALPA has selected The Guardian Life Insurance Company of America to bring the following improvements to your optional member benefits plans. All changes apply November 1, 2012.

Available Insurance Plans

Life Insurance

- 10- & 20-Year Level Term
- Group Term

Accidental Death & Dismemberment

Disability Insurance

- Short-Term
- Loss of License
- Loss of License-Plus
- Loss of License Lump Sum

http://memberinsurance.alpa.org

ALPA Member Insurance

Offering unique products designed by pilots for pilots to our members for over 50 years.

Air Line Pilots Association, International

535 Herndon Parkway
P.O. Box 1169
Herndon, VA 20172
1-800-746-2572

Life Insurance Plans

10- & 20-Year Level Term

All rates are decreasing by approximately 15%. This applies to current policies as well as new policies. If you, your spouse, or your dependent hold a 10- &/or 20-Year Level Term policy, your rates will decrease effective November 1, 2012.

Group Term Life

Rates will decrease anywhere from 2% to 50%, depending on your age.

During the open enrollment period, November 1, 2012 through January 15, 2013, any eligible member age 59 or younger may request to purchase ALPA's Annual Renewable Term Life Insurance without providing evidence of insurability. You may purchase up to the amounts listed below

Guaranteed Issue*

- Up to \$300,000 for eligible members under age 40
- Up to \$200,000 for eligible members under age 50
- Up to \$100,000 for eligible members under age 60

To qualify you must meet *all* of the following criteria:

- Be a member in good standing and employed at an ALPA-represented airline.
- Hold a valid FAA medical certification to fly, with no special issuance or SODA.
- Confirm, at time of enrollment, that you have not previously been denied participation in an ALPA group life plan.

You may purchase up to the maximum of \$1.5 million of total coverage; however, you will be required to provide evidence of insurability for amounts over the Guaranteed Issue amounts shown above.

* Note that the Guaranteed Issue limit includes any coverage that you already carry under this plan.

Group Term Life Rates—Annual Premiums Per \$50,000 Coverage for Member and Spouse*

| Active Member | | | | | | | | |
|---------------|----------------|------------|--|--|--|--|--|--|
| Age | Nonsmoker | Smoker | | | | | | |
| <30 | \$15.81 | \$30.60 | | | | | | |
| 30-34 | \$20.91 | \$37.23 | | | | | | |
| 35-39 | \$24.99 | \$46.41 | | | | | | |
| 40-44 | \$31.62 | \$62.22 | | | | | | |
| 45-49 | \$45.39 | \$95.37 | | | | | | |
| 50-54 | \$74.97 | \$151.47 | | | | | | |
| 55-59 | \$115.77 | \$229.50 | | | | | | |
| 60-64 | \$235.88 | \$427.13 | | | | | | |
| 65+ | \$393.13 | \$642.81 | | | | | | |
| | Retired Member | | | | | | | |
| Age | Nonsmoker | Smoker | | | | | | |
| 65-69 | \$570.18 | \$932.28 | | | | | | |
| 70-74 | \$922.08 | \$1,507.56 | | | | | | |
| 75-79 | \$1,715.13 | \$2,803.98 | | | | | | |
| 80-84 | \$2,958.51 | \$4,546.65 | | | | | | |
| 85+ | \$5,984.34 | \$9,105.03 | | | | | | |

* When you are retired and age 65, benefit reduction applies on the following November 1. A retiree under age 65 pays the active member rate. Spouse rates are according to the member's age. Read the Group Term Life brochure for more details on requirements and benefits under the group term life product.

Accidental Death & Dismemberment Insurance

Rates for members have been reduced by nearly 80%. Reductions for family coverage are nearly 70%.

The maximum available coverage for active members and families will increase from \$350,000 to \$500,000.*

* On the November 1 concurrent with or next following the date on which you reach retired status, any coverage in excess of \$350,000 will be reduced to \$350,000, which is the maximum retiree benefit.

Annual AD&D Insurance Premium Rates

| Coverage | Member Only | Family |
|----------|-------------|----------|
| 50,000 | \$30.00 | \$60.00 |
| 100,000 | \$60.00 | \$120.00 |
| 150,000 | \$90.00 | \$180.00 |
| 200,000 | \$120.00 | \$240.00 |
| 250,000 | \$150.00 | \$300.00 |
| 300,000 | \$180.00 | \$360.00 |
| 350,000 | \$210.00 | \$420.00 |
| 400,000 | \$240.00 | \$480.00 |
| 450,000 | \$270.00 | \$540.00 |
| 500,000 | \$300.00 | \$600.00 |

Disability Insurance Plans

Short-Term Disability

Rates will decrease by approximately 8%.

The 14-day elimination period has been removed from the plan options. Those members who were in the 14-day elimination period with Unum will be moved automatically to the 30-day elimination period with Guardian. Those moving from 14 to 30 days will see savings of approximately 42%. If desired, those affected may instead choose the 60-day elimination period by contacting ALPA's Membership Services Department at membership@alpa.org. A written request to increase the elimination period will be honored on the first day of the month following receipt of your request.

No more offsets! Under the old plan, your benefit may have been offset by benefits you received from other sources such as a state disability plan. We have eliminated the benefit offset provision.*

You may choose a benefit amount between \$200 and \$1,000 a week, in increments of \$100.

The changes outlined here do not apply to members with active claims. Those in claims status prior to November 1 will receive benefits under the old plan from Unum.

Monthly Short-Term Disability Insurance Premium Rates per \$100/Week Benefit

| Member Age | 30 Days Accident, 30 Days Illness | 60 Days Accident, 60 Days Illness | | |
|------------|--------------------------------------|--------------------------------------|--|--|
| <25 | \$3.23 | \$2.85 | | |
| 25-29 | \$3.63 | \$3.19 | | |
| 30-34 | \$3.09 | \$2.72 | | |
| 35–39 | \$3.09 | \$2.72 | | |
| 40–44 | \$3.76 | \$3.31 | | |
| 45-49 | \$4.60 | \$4.05 | | |
| 50-54 | \$6.60 | \$5.81 | | |
| 55–59 | \$8.60 | \$7.57 | | |
| 60-64 | \$10.95 | \$9.63 | | |
| 65+ | \$11.81 | \$10.40 | | |

Loss of License (LOL)

Rates have been reduced between 30% and 50%

You will have the opportunity to increase coverage annually—with no evidence of insurability—to the next level of coverage with valid FAA medical certificate and an affidavit that your health has not changed. Look for details coming soon.

The maximum available monthly benefit has increased from \$4.200 to \$4.800/month.

Loss of License-Plus

Rates have been reduced between 25% and 45%.

You will have the opportunity to increase coverage annually—with no evidence of insurability—to the next level of coverage with valid FAA medical certificate and an affidavit that your health has not changed. Look for details coming soon.

Benefits paid during the "Plus" period will now include a cost of living adjustment (COLA) added to claims incurred on or after November 1, 2012, and benefits now continue to age 65.

The maximum available monthly benefit has increased from \$4,200 to \$4,800/month for the basic Loss of License period, with an available extended benefit of up to \$2,400/month.

Benefits under the "Plus" program are paid at 50% of the initial LOL benefit

Lump Sum Loss of License

Five year rate banding has been eliminated—your rate will be based on your attained age as of each November 1 policy renewal.

Reductions of 5.5% have been applied to the individual rates for each age.

^{*} A short-term disability benefits exclusion exists in the event that you are receiving workman's compensation.

Annual Loss of License Insurance Premium Rates

| Age | \$600/mo. | \$1200/mo. | \$1800/mo. | \$2400/mo. | \$3000/mo. | \$3600/mo. | \$4200/mo. | \$4800/mo. |
|-----|-----------|------------|------------|------------|------------|------------|------------|------------|
| <28 | \$30.50 | \$61.00 | \$91.50 | \$122.00 | \$152.50 | \$183.00 | \$213.50 | \$244.00 |
| 28 | \$33.00 | \$66.00 | \$99.00 | \$132.00 | \$165.00 | \$198.00 | \$231.00 | \$264.00 |
| 29 | \$36.00 | \$72.00 | \$108.00 | \$144.00 | \$180.00 | \$216.00 | \$252.00 | \$288.00 |
| 30 | \$39.50 | \$79.00 | \$118.50 | \$158.00 | \$197.50 | \$237.00 | \$276.50 | \$316.00 |
| 31 | \$42.00 | \$84.00 | \$126.00 | \$168.00 | \$210.00 | \$252.00 | \$294.00 | \$336.00 |
| 32 | \$45.00 | \$90.00 | \$135.00 | \$180.00 | \$225.00 | \$270.00 | \$248.50 | \$284.00 |
| 33 | \$49.00 | \$98.00 | \$147.00 | \$196.00 | \$245.00 | \$294.00 | \$343.00 | \$392.00 |
| 34 | \$52.50 | \$105.00 | \$157.50 | \$210.00 | \$262.50 | \$315.00 | \$367.50 | \$420.00 |
| 35 | \$59.50 | \$119.00 | \$178.50 | \$238.00 | \$297.50 | \$357.00 | \$416.50 | \$476.00 |
| 36 | \$65.00 | \$130.00 | \$195.00 | \$260.00 | \$325.00 | \$390.00 | \$455.00 | \$520.00 |
| 37 | \$71.50 | \$143.00 | \$214.50 | \$286.00 | \$357.50 | \$429.00 | \$500.50 | \$572.00 |
| 38 | \$77.50 | \$155.00 | \$232.50 | \$310.00 | \$387.50 | \$465.00 | \$542.50 | \$620.00 |
| 39 | \$83.50 | \$167.00 | \$250.50 | \$334.00 | \$417.50 | \$501.00 | \$584.50 | \$668.00 |
| 40 | \$102.50 | \$205.00 | \$307.50 | \$410.00 | \$512.50 | \$615.00 | \$717.50 | \$820.00 |
| 41 | \$109.00 | \$218.00 | \$327.00 | \$436.00 | \$545.00 | \$654.00 | \$763.00 | \$872.00 |
| 42 | \$118.00 | \$236.00 | \$354.00 | \$472.00 | \$590.00 | \$708.00 | \$826.00 | \$944.00 |
| 43 | \$133.50 | \$267.00 | \$400.50 | \$534.00 | \$667.50 | \$801.00 | \$934.50 | \$1,068.00 |
| 44 | \$149.00 | \$298.00 | \$447.00 | \$596.00 | \$745.00 | \$894.00 | \$1,043.00 | \$1,192.00 |
| 45 | \$176.50 | \$353.00 | \$529.50 | \$706.00 | \$882.50 | \$1,059.00 | \$1,235.50 | \$1,412.00 |
| 46 | \$195.00 | \$390.00 | \$585.00 | \$780.00 | \$975.00 | \$1,170.00 | \$1,365.00 | \$1,560.00 |
| 47 | \$225.00 | \$450.00 | \$675.00 | \$900.00 | \$1,125.00 | \$1,350.00 | \$1,575.00 | \$1,800.00 |
| 48 | \$243.00 | \$486.00 | \$729.00 | \$972.00 | \$1,215.00 | \$1,458.00 | \$1,701.00 | \$1,944.00 |
| 49 | \$260.00 | \$520.00 | \$780.00 | \$1,040.00 | \$1,300.00 | \$1,560.00 | \$1,820.00 | \$2,080.00 |
| 50 | \$300.00 | \$600.00 | \$900.00 | \$1,200.00 | \$1,500.00 | \$1,800.00 | \$2,100.00 | \$2,400.00 |
| 51 | \$318.50 | \$637.00 | \$955.50 | \$1,274.00 | \$1,592.50 | \$1,911.00 | \$2,229.50 | \$2,548.00 |
| 52 | \$335.00 | \$670.00 | \$1,005.00 | \$1,340.00 | \$1,675.00 | \$2,010.00 | \$2,345.00 | \$2,680.00 |
| 53 | \$353.00 | \$706.00 | \$1,059.00 | \$1,412.00 | \$1,765.00 | \$2,118.00 | \$2,471.00 | \$2,824.00 |
| 54 | \$369.00 | \$738.00 | \$1,107.00 | \$1,476.00 | \$1,845.00 | \$2,214.00 | \$2,583.00 | \$2,952.00 |
| 55 | \$445.50 | \$891.00 | \$1,336.50 | \$1,782.00 | \$2,227.50 | \$2,673.00 | \$3,118.50 | \$3,564.00 |
| 56 | \$536.00 | \$1,072.00 | \$1,608.00 | \$2,144.00 | \$2,680.00 | \$3,216.00 | \$3,752.00 | \$4,288.00 |
| 56+ | \$619.00 | \$1,238.00 | \$1,857.00 | \$2,476.00 | \$3,095.00 | \$3,714.00 | \$4,333.00 | \$4,952.00 |

Annual Loss of License-Plus Insurance Premium Rates

| Age | \$600/\$300 | \$1200/\$600 | \$1800/\$900 | \$2400/\$1200 | \$3000/\$1500 | \$3600/\$1800 | \$4200/\$2100 | \$4800/\$2400 |
|-----|-------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| <28 | \$51.50 | \$103.00 | \$154.50 | \$206.00 | \$257.50 | \$309.00 | \$360.50 | \$412.00 |
| 28 | \$54.00 | \$108.00 | \$162.00 | \$216.00 | \$270.00 | \$324.00 | \$378.00 | \$432.00 |
| 29 | \$57.50 | \$115.00 | \$172.50 | \$230.00 | \$287.50 | \$345.00 | \$402.50 | \$460.00 |
| 30 | \$67.00 | \$134.00 | \$201.00 | \$268.00 | \$335.00 | \$402.00 | \$469.00 | \$536.00 |
| 31 | \$71.50 | \$143.00 | \$214.50 | \$286.00 | \$357.50 | \$429.00 | \$500.50 | \$572.00 |
| 32 | \$76.00 | \$152.00 | \$228.00 | \$304.00 | \$380.00 | \$456.00 | \$532.00 | \$608.00 |
| 33 | \$84.50 | \$169.00 | \$253.50 | \$338.00 | \$422.50 | \$507.00 | \$591.50 | \$676.00 |
| 34 | \$90.00 | \$180.00 | \$270.00 | \$360.00 | \$450.00 | \$540.00 | \$630.00 | \$720.00 |
| 35 | \$99.50 | \$199.00 | \$298.50 | \$398.00 | \$497.50 | \$597.00 | \$696.50 | \$796.00 |
| 36 | \$108.00 | \$216.00 | \$324.00 | \$432.00 | \$540.00 | \$648.00 | \$756.00 | \$864.00 |
| 37 | \$119.50 | \$239.00 | \$358.50 | \$478.00 | \$597.50 | \$717.00 | \$836.50 | \$956.00 |
| 38 | \$134.50 | \$269.00 | \$403.50 | \$538.00 | \$672.50 | \$807.00 | \$941.50 | \$1,076.00 |
| 39 | \$148.50 | \$297.00 | \$445.50 | \$594.00 | \$742.50 | \$891.00 | \$1,039.50 | \$1,188.00 |
| 40 | \$177.00 | \$354.00 | \$531.00 | \$708.00 | \$885.00 | \$1,062.00 | \$1,239.00 | \$1,416.00 |
| 41 | \$193.50 | \$387.00 | \$580.50 | \$774.00 | \$967.50 | \$1,161.00 | \$1,354.50 | \$1,548.00 |
| 42 | \$215.00 | \$430.00 | \$645.00 | \$860.00 | \$1,075.00 | \$1,290.00 | \$1,505.00 | \$1,720.00 |
| 43 | \$235.00 | \$470.00 | \$705.00 | \$940.00 | \$1,175.00 | \$1,410.00 | \$1,645.00 | \$1,880.00 |
| 44 | \$252.50 | \$505.00 | \$757.50 | \$1,010.00 | \$1,262.50 | \$1,515.00 | \$1,767.50 | \$2,020.00 |
| 45 | \$293.50 | \$587.00 | \$880.50 | \$1,174.00 | \$1,467.50 | \$1,761.00 | \$2,054.50 | \$2,348.00 |
| 46 | \$314.50 | \$629.00 | \$943.50 | \$1,258.00 | \$1,572.50 | \$1,887.00 | \$2,201.50 | \$2,516.00 |
| 47 | \$345.50 | \$691.00 | \$1,036.50 | \$1,382.00 | \$1,727.50 | \$2,073.00 | \$2,418.50 | \$2,764.00 |
| 48 | \$371.00 | \$742.00 | \$1,113.00 | \$1,484.00 | \$1,855.00 | \$2,226.00 | \$2,597.00 | \$2,968.00 |
| 49 | \$396.50 | \$793.00 | \$1,189.50 | \$1,586.00 | \$1,982.50 | \$2,379.00 | \$2,775.50 | \$3,172.00 |
| 50 | \$440.00 | \$880.00 | \$1,320.00 | \$1,760.00 | \$2,200.00 | \$2,640.00 | \$3,080.00 | \$3,520.00 |
| 51 | \$450.50 | \$901.00 | \$1,351.50 | \$1,802.00 | \$2,252.50 | \$2,703.00 | \$3,153.50 | \$3,604.00 |
| 52 | \$454.00 | \$908.00 | \$1,362.00 | \$1,816.00 | \$2,270.00 | \$2,724.00 | \$3,178.00 | \$3,632.00 |
| 53 | \$458.50 | \$917.00 | \$1,375.50 | \$1,834.00 | \$2,292.50 | \$2,751.00 | \$3,209.50 | \$3,668.00 |
| 54 | \$461.50 | \$923.00 | \$1,384.50 | \$1,846.00 | \$2,307.50 | \$2,769.00 | \$3,230.50 | \$3,692.00 |
| 55 | \$542.00 | \$1,084.00 | \$1,626.00 | \$2,168.00 | \$2,710.00 | \$3,252.00 | \$3,794.00 | \$4,336.00 |
| 56 | \$636.50 | \$1,273.00 | \$1,909.50 | \$2,546.00 | \$3,182.50 | \$3,819.00 | \$4,455.50 | \$5,092.00 |
| >56 | \$724.50 | \$1,449.00 | \$2,173.50 | \$2,898.00 | \$3,622.50 | \$4,347.00 | \$5,071.50 | \$5,796.00 |

Annual Lump Sum Loss of License Insurance Premiums Per \$25,000 Coverage*

| Age | Benefit | Premium | | |
|-------|---------------------|----------|--|--|
| 19-29 | \$25,000.00 | \$51.50 | | |
| 30 | \$25,000.00 | \$74.18 | | |
| 31 | \$25,000.00 | \$81.74 | | |
| 32 | \$25,000.00 | \$88.83 | | |
| 33 | \$25,000.00 | \$98.75 | | |
| 34 | \$25,000.00 | \$110.09 | | |
| 35 | \$25,000.00 | \$122.38 | | |
| 36 | \$25,000.00 | \$136.08 | | |
| 37 | \$25,000.00 | \$151.67 | | |
| 38 | \$25,000.00 | \$168.21 | | |
| 39 | \$25,000.00 | \$188.53 | | |
| 40 | \$25,000.00 | \$210.26 | | |
| 41 | \$25,000.00 | \$234.36 | | |
| 42 | \$25,000.00 | \$260.82 | | |
| 43 | \$25,000.00 | \$307.13 | | |
| 44 | \$25,000.00 | \$334.53 | | |
| 45 | \$25,000.00 | \$364.30 | | |
| 46 | \$22,500.00 | \$351.07 | | |
| 47 | \$20,125.00 | \$367.61 | | |
| 48 | \$18,500.00 | \$377.06 | | |
| 49 | \$16,875.00 | \$383.67 | | |
| 50 | \$15,250.00 | \$369.97 | | |
| 51 | \$13,750.00 | \$371.39 | | |
| 52 | \$12,250.00 | \$368.55 | | |
| 53 | \$10,750.00 | \$377.53 | | |
| 54 | \$9,000.00 | \$368.08 | | |
| 55 | \$7,500.00 | \$378.95 | | |
| 56 | \$6,000.00 | \$352.49 | | |
| 57 | \$5,000.00 | \$342.09 | | |
| 58 | \$4,250.00 | \$326.50 | | |
| 59 | \$3,750.00 | \$324.61 | | |
| 60 | \$3,375.00 | \$328.39 | | |
| 61 | \$3,125.00 | \$342.09 | | |
| 62 | \$2,875.00 | \$353.90 | | |
| 63 | \$2,625.00 \$348.71 | | | |
| 64 | 64 \$2,500.00 | | | |
| 65+ | \$2,500.00 | \$378.47 | | |

^{*} Coverage will reduce based on your age at disability (for age 46 and older.)