



INFORMATION ON 2010 MEDICAL INSURANCE OPTIONS AND THE DP3 VEBA PLAN

October 24, 2009

This is a reminder that the open enrollment period for Delta benefits opens for retirees on October 28 and closes on November 17. It is important to note that some of this year's default options have changed, so even if you plan to maintain your current selections, you should check the Delta Benefits Direct section of Delta Net to ensure that your choices are what best suits you and your family for the next year.

As we have mentioned in previous Chairman's Letters, DP3 has been working to establish a VEBA eligible for the HCTC to benefit those who were not originally offered the bankruptcy Lifetime COBRA option. We hoped that our program would be ready to roll out during this year's open enrollment period.

We took this route after we had previously been unsuccessful in lobbying Delta to come up with a plan that would include HCTC eligibility for retirees who were excluded from the original Lifetime COBRA option—an option that was only available to pilots who, among other requirements, were over age 60 on January 1, 2007.

During those discussions with Delta we pointed out that the company could actually achieve significant savings by offering retirees an option that would encourage them to leave Delta subsidized coverage of 49%, for HCTC subsidies that are 80% until December 31, 2010 (65% after that, unless the provisions of the ARRA are extended beyond December 31, 2010) until the retiree reaches age 65 and becomes eligible for MEDICARE.

It is unlikely that our proposed VEBA will be established before the end of the year due to the cancellation of last month's scheduled bankruptcy court omnibus hearing date. The next court hearing date is not until November 17 which coincidentally is also the last day of the open enrollment period for next year's Delta benefit selections. We are, however, thankful that Delta has decided to offer HCTC eligible COBRA coverage to our members--it is, and has been, the right thing to do for those who have been excluded from Lifetime COBRA.

This new COBRA plan is tied to the Delta Family Care Medical Plan and not the Delta pilots Medical Plan, but it is eligible for the HCTC credit which means it is probably a less expensive option for those retirees not currently on an HCTC eligible program.

This is a one time offer from Delta so we encourage you to seriously consider accepting the Delta plan if its coverage fits the needs of you and your family. We will work with Delta in an attempt to allow a switch from the Delta plan to a VEBA if we successfully establish a VEBA after this year's enrollment period comes to an end.

Thank you for your continued support.