

SECTION 26 - INSURANCE, RETIREMENT, AND OTHER BENEFITS

The following represents the terms of the medical and life coverage for eligible active Flight Attendants under The Group Life and Health Benefits Plan for Employees of American Airlines, Inc. ("Medical Plan") (with said medical coverage being referred to herein as "Active Medical Coverage") and, Flight Attendants retiring on or after November 1, 2012 under The Group Life and Health Benefits Plan for Retirees of American Airlines, Inc. ("Retiree Medical Plan") (with said medical coverage being referred to herein as "Retiree Medical Coverage").

This coverage replaces and supersedes the previous medical and dental plan provisions.

A. LIFE INSURANCE

For an employee whose base monthly salary is one thousand five hundred dollars (\$1,500) or over, her/his basic coverage shall be two (2) times her/his base annual salary taken to the next higher multiple of one hundred dollars (\$100), but not more than seventy thousand dollars (\$70,000).

B. MEDICAL AND DENTAL PLAN

Active Flight Attendant Medical Coverage effective as soon as administratively practicable following ratification:

1. The Company will offer two (2) medical options in the Medical Plan subject to Paragraph 14: (i) the Standard option; and, (ii) the Core medical option which is a Health Savings Account-compatible medical option. The Company reserves the right to amend the Medical Plan at the Company's sole discretion, with the exception of:
 - a. The Standard medical option design features in the Chart of Active Medical Coverage Option Design Features in Paragraph B.11;
 - b. The employee contribution methodology for the Standard and Core medical options described in Paragraphs B.4 and B.6;
 - c. Changes noted in Paragraph B.5;
 - d. The right to purchase dental coverage on similar terms as provided to eligible Flight Attendants prior to September 12, 2012.
2. To the extent the Company is offering the Value medical option in any plan year to employees, employees eligible to enroll in the Standard or Core medical options will be eligible to enroll in the Value medical option. The Company reserves the right to amend or terminate the Value medical option, at its sole discretion.
3. To the extent feasible, advance notice of material Medical Plan changes will be provided to the APFA prior to implementation. At least thirty (30) days prior to the distribution of the Active Medical Coverage annual enrollment materials, the Company will provide the APFA with a copy of the data, assumptions and methodologies used to calculate employee contributions under the Standard and Core medical options.
4. Aggregate employee contributions for the Standard and Core medical options for 2015 will be twenty percent (20%), and 2016 and thereafter will be twenty-one percent (21%) of the total projected cost of each forecasted year of healthcare expenses for these two (2) medical options (which include medical/prescription and administrative expenses) as calculated by the Company. Employee contributions for the Standard and Core medical