

September 18, 2008

To: All Pilots, and Pilot Retirees and Survivors eligible for the Delta Account-Based Healthcare Plan

From: Rob Kight – Vice President, Compensation, Benefits & Services

Subject: 2009 Benefit Changes

In January of this year we introduced a different approach to healthcare benefits at Delta. I'm pleased to say that our account-based healthcare plan options have proven to be very successful among pilots with more than 92% of active pilots who are enrolled in Delta coverage choosing an account-based plan. Many pilots chose our HSA option and are building substantial balances in the most tax efficient way possible. In our Gold and Silver HRA medical options, nearly 60% of participants have used less than half of their Health Reimbursement Account. These participants will likely have substantial balances to roll over to 2009 for extra protection against unexpected healthcare costs. These results indicate that our covered participants are becoming engaged healthcare consumers and are learning the value of various medical services.

Even in spite of the cost of fuel and other economic challenges facing our company, we are very happy to say that, in 2009, we will:

Healthcare

- NOT increase active employee account-based healthcare plan contribution amounts (premiums) — for the fourth year in a row
- NOT increase premiums for retirees under age 65, with the exception of those electing the Diamond HSA Medical Option; those participants will incur a small premium increase
- Offer a second HSA medical option -- the Ruby HSA Medical Option, administered by UnitedHealthcare. The Ruby HSA Medical Option will have a lower employee premium and higher participant cost-sharing than the current HSA Medical Option (to be renamed Diamond HSA Medical Option). It also offers a substantially lower monthly premium than other retiree options for pre-65 retirees
- Continue providing 100% coverage for in-network preventive services recommended by the U.S. Preventive Services Task Force for participants in the Delta Account-Based Healthcare Plan
- Include as part of our 100% preventive healthcare benefit travel health immunizations when services are received from a UHC network provider. For additional information about travel health immunizations go to the My Health & Insurance site located on Employee Connection

Life and Other Insurance

- Offer increased coverage level options to choose from for both optional life insurance and spouse life insurance

- Introduce Prudential as Delta's new group long-term care insurance provider. Employees on the active payroll who enroll in long-term care insurance coverage during this year's open enrollment period will not need to provide proof of good health

There will be a few other healthcare changes implemented to help preserve our competitive cost structure within the industry. Some of the changes are:

- Participants in an HRA medical option will "pay the difference" at the pharmacy if the participant chooses to purchase a brand name prescription drug when a generic alternative exists. This change will affect very few people since our plan members already choose generic alternatives nearly 96 percent of the time rather than opting for the more costly brand name drug. More details will follow in a later communication
- The Comprehensive Dental Option under the Delta Account-Based Healthcare Plan annual maximum benefit will move from \$2,500 to \$2,000 per covered participant and the lifetime orthodontic benefit will move from \$2,500 to \$2,000 per covered participant (for orthodontic treatments first beginning after 1/1/2009). Our current plan design is among the most generous in the industry. These changes bring our coverage levels in line with the industry and the expected savings helped us keep medical premiums flat again this year
- We will not make any changes to the Delta Pilots Medical Plan with regard to covered services, coverage levels, copay amounts, coinsurance amounts, and there will be no increase to the medical premiums; however, premiums for the dental component of DPMP will have a very slight increase due to higher utilization of services

In the fall, you'll see additional communications about all these benefit changes. We will also have a schedule of Webinars and onsite employee meetings in many stations across the system focused on the health plan. As we get closer to our open enrollment period, those schedules will be available on the My Health & Insurance page of Employee Connection. On Benefits Direct, active and inactive employees will have access to an improved health plan evaluator tool. This tool will automatically be personalized with your individual UnitedHealthcare medical claims from August 1, 2007 through July 31, 2008. I urge you to take some time to use this new tool and review our upcoming communications to learn more about your account-based healthcare plan options and how they can best meet your healthcare needs.

Thanks for all you are doing to make Delta a great place to work.



Robert L. Kight
Vice President – Compensation, Benefits & Services