

NOTICE: Summary Annual Report for the ALPA Pilot Welfare Benefit Plan

Attached is a copy of the Summary Annual Report for the ALPA Pilot Welfare Benefit Plan. This report, required by the Employee Retirement Income Security Act of 1974 (ERISA), is a summarized text version of a filing the Plan makes with the Internal Revenue Service on an annual basis.

The ALPA-sponsored Monthly and Lump Sum Loss of License Insurance, the Group Term Life Insurance, Ten-Year and Twenty-Year Level Term Life Insurance, Accidental Death and Dismemberment and Short Term Disability Insurance Plans are maintained under the ALPA Pilot Welfare Benefit Plan, which is a qualified plan under IRS Code 501(c)9.

Each plan maintains separate accounting and plan experience, but now files one consolidated Annual Report to the IRS.

You are receiving this information because our records indicate you were a participant in at least one of these plans during the November 1, 2014 to October 31, 2015 Plan Year.

Questions regarding this Summary Annual Report may be directed to Member Insurance at (703) 689-4330.

Sincerely,

ALPA Pilot Welfare Benefit Plan VEBA Review Board

**SUMMARY ANNUAL REPORT FOR
AIR LINE PILOTS ASSOCIATION, INTERNATIONAL PILOT WELFARE BENEFIT PLAN**

This is a summary of the annual report of the Air Line Pilots Association, International Pilot Welfare Benefit Plan, a partially insured welfare benefits plan, EIN 36-0710830, Plan Number 523, for the plan year 11/01/2014 through 10/31/2015. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Air Line Pilots Association, International has committed itself to pay certain Life Insurance, Temporary Disability, Long Term Disability, and Accidental Death and Dismemberment claims incurred under the terms of the plan.

Insurance Information

The plan has insurance contracts with Guardian Life Insurance Co. of America and Delta Dental Insurance Company to pay certain Long-term Disability, Flexible Funding, Life Insurance, Accidental Death and Dismemberment, and Dental claims incurred under the terms of the plan. The total premiums paid for the plan year ending 10/31/2015 were \$5,156,564.

Because they are so called "experience-rated" contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending 10/31/2015, the premiums paid under such "experience-rated" contracts were \$3,874,416 and the total of all benefit claims paid under these experience-rated contracts during the plan year was \$3,748,597.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$63,732,368 as of the end of plan year, compared to \$62,784,534 as of the beginning of the plan year. During the plan year the plan experienced a change in its net assets of \$947,834. This change includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$10,110,724 including employee contributions of \$8,927,030, earnings from investments of \$83,163, and other income of \$1,100,531. Plan expenses were \$9,162,890. These expenses included \$608,623 in administrative expenses, and \$8,554,267 in benefits paid to participants and beneficiaries and payments made to insurance carriers for the provision of benefits.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report.
2. Financial information and information on payments to service providers.
3. Assets held for investment.
4. Transactions in excess of 5 percent of the plan assets.
5. Insurance information, including sales commissions paid by insurance carriers.
6. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write or call the office of the plan administrator, at 535 Herndon Parkway, Herndon, VA 20170 and phone number, 703-689-2270. The charge to cover copying costs will be \$0.25 per page.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan: 535 Herndon Parkway, Herndon, VA 20170, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.