

Fact Sheet: UAW-Ford General Retirees

This Fact Sheet provides information on the UAW Retiree Medical Benefits Trust. Please use this Fact Sheet for future reference.

Who to Call Beginning December 2009		
Changes	For Health Care	For Pension
To change your address	Retiree Health Care Connect 1-877-829-9444 8:30 AM - 5:30 PM ET	Submit your change of address form from your pension statement to: Comerica Bank PO Box 75000 Detroit, MI 48275
To inquire about health care coverage	Retiree Health Care Connect 1-877-829-9444 8:30 AM - 5:30 PM ET	Not Applicable
To add or remove a dependent		
To inquire about health care claims	Your health care plan phone number is on the back of your ID card	Not Applicable

Important information that you may have on file, such as Qualified Medical Child Support Order (QMCSO) or legal guardianship, will be transferred to the Trust.

Cost Sharing Effective January 1, 2010	
Monthly contributions	Single \$15/Family \$30
Deductibles	Single \$170/Family \$340
Out-of-pocket maximum	
In-Network	Single \$285/Family \$570
Out-of-Network	Single \$570/Family \$1,140

Health Carrier Changes

The carriers listed below will not be offered effective January 1, 2010.

Current Medical Carrier	Medical Carrier as of January 1, 2010
Anthem BCBS (Toledo and Cleveland Area)	Traditional Care Network (TCN) Blue Cross Blue Shield or Medical Mutual of Ohio (depending on your residency)
Blue Choice HMO	
Blue Preferred Primary HMO	
Cigna HMO	
Paramount HMO	
SuperMed HMO	
UniCare	
Manulife Financial (formerly Maritime)	Green Shield

Prescription Drugs

- Increased co-payment amounts effective January 1, 2010:
 - Retail – Generic \$10/Brand \$25
 - Mail order – Generic \$20/Brand \$50
 - These co-payments will apply to all prescription drugs including those covered by Medicare Part B
- Coverage for Proton Pump Inhibitor drugs (e.g., Nexium) will be eliminated, except in prior authorized cases of Barrett's Esophagitis and Zollinger-Ellison Syndrome
- Coverage for erectile dysfunction drugs will be eliminated, except in prior authorized cases of Pulmonary Arterial Hypertension
- Medco will manage prescription benefits
- The Medco call center can be reached at 1-866-662-0274

Dependents

The following dependents remain eligible for coverage:

- Spouses
- Same-Sex Domestic Partners
- Children, until the end of the year they turn 25
- Permanently and Totally Disabled children (PTD)

The following dependents are no longer eligible for coverage:

- Sponsored Dependents
A sponsored dependent is not your spouse or child. A sponsored dependent is an individual related by blood or marriage who lives in your home and relies on you for more than 50% of their support.
- Principally Supported Dependents
A principally supported dependent is not your spouse or child. A principally supported dependent is a child who resides with you and is principally supported by you, for example your grandchild. If you obtain legal guardianship or legally adopt the child, coverage provided by UAW Retiree Medical Benefits Trust may continue.

Medicare Coverage

If you are Medicare-eligible, you should enroll in Medicare Part A and Part B. If you do not, your benefits under the Trust will be paid as if you had Medicare coverage. Therefore, to avoid paying additional out-of-pocket medical expenses, be sure to enroll in Medicare.

Fact Sheet: UAW-Ford Protected Retirees

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To inquire about health care coverage	Retiree Health Care Connect 1-877-829-9444 8:30 AM - 5:30 PM ET	Not Applicable
To add or remove a dependent		
To inquire about health care claims	Your health care plan phone number is on the back of your ID card	Not Applicable

Important information that you have provided, such as Qualified Medical Child Support Order (QMCSO), will be transferred to the Trust.

Health Carrier Changes

The carriers listed below will not be offered effective January 1, 2010.

Medical Carrier	Location
Anthem BCBS	Toledo and Cleveland Area
Blue Choice HMO	Missouri (St. Louis)
Blue Preferred Primary HMO	Ohio (Cincinnati, Cleveland, Lima)
Cigna HMO	Virginia, North Carolina, Connecticut
Paramount HMO	Ohio (Toledo)
SuperMed HMO	Ohio (Cleveland, Akron)
UniCare	Illinois (Chicago)
Manulife Financial (formerly Maritime)	Canada

Prescription Drugs

- Increased co-payment amounts effective January 1, 2010:
 - Retail – Generic \$10/Brand \$25
 - Mail order – Generic \$20/Brand \$50
 - These co-payments will apply to all prescription drugs including those covered by Medicare Part B
- Coverage for Proton Pump Inhibitor drugs (e.g., Nexium) will be eliminated, except in prior authorized cases of Barrett's Esophagitis and Zollinger-Ellison Syndrome
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Medicare Coverage

If you are Medicare-eligible, you should enroll in Medicare Part A and Part B. If you do not, your benefits under the Trust will be paid as if you had Medicare coverage. Therefore, to avoid paying additional out-of-pocket medical expenses, be sure to enroll in Medicare.

**Questions and Answers:
The UAW Retiree Medical Benefits Trust**

Q: When will the Voluntary Employee Beneficiary Association (VEBA) take over benefit plans for UAW Ford retirees?

A: Under the court-approved Settlement Agreements, the VEBA -- formally known as **the UAW Retiree Medical Benefits Trust** -- has responsibility for establishing benefit levels and administering benefit plans for UAW Ford retirees starting on January 1, 2010.

Q: Will our benefits be the same as Chrysler and GM retirees?

A: No. The UAW Retiree Medical Benefits Trust **will continue to provide dental coverage, vision coverage, and the monthly Medicare Part B “Special Payment” to all eligible Ford retirees.** These coverages were eliminated for GM and Chrysler retirees as part of the bankruptcy proceedings involving those companies.

The Trust has also taken steps to assure a smooth transition for retirees. For example, medical and prescription drug coverages will remain the same, except for adjustments to the co-pays, deductibles, and out-of-pocket maximums, and the elimination of coverage for erectile dysfunction drugs and proton pump inhibitor drugs except in certain cases of prior authorized diagnoses. All these new coverages are described in the attached materials.

Q: How will UAW Ford retirees find out about the new benefit coverages and the new plan administration?

A: The UAW Retiree Medical Benefits Trust is sending a letter to all retirees outlining the 2010 benefit levels in more detail. Retirees will receive this communication over the next two weeks and it will include information about the transition process, including when retirees will be receiving new ID cards, the phone numbers that retirees can call with questions and other administrative information about the new plan.

The mailing will include a Fact Sheet summarizing the new benefit levels. In December, the Trust will send a full Summary Plan Description to retirees, along with a letter from the Trust outlining in more detail the funding status of the Ford component of the Trust.

Q: Will all UAW Ford retirees receive exactly the same benefits?

A: No. Terms of the original Settlement with Ford regarding retiree medical claims **protect** retirees with low pension income from the medical plan's monthly contribution, deductible and co-pay requirements.

As a result, there are two groups of UAW Ford Retirees who will receive slightly different benefits from the UAW Retiree Medical Benefits Trust: Protected Retirees and General Retirees. A separate Fact Sheet for each group will be included with the November mailing.

For 2010, Protected Retirees will continue to be exempt from these monthly contribution, medical deductible and co-pay requirements but will otherwise have the same benefits as other retirees.

Q: Who makes decisions about the Trust and about our benefits?

A: Under the court-approved 2007 UAW/Ford National Agreement, as modified by the February 2009 Agreement, retiree medical benefits are provided by an independent trust – the UAW Retiree Medical Benefits Trust -- starting in January 2010.

The Trust is independent of the UAW and Ford. It is governed by a Committee, as approved by the Court. The Committee includes UAW appointees, but the majority of the Committee Members are independent of both the UAW and Ford.

Under the Settlement Agreements, the Committee has responsibility for establishing benefit levels starting when the Trust takes over responsibility for delivering the benefits in January 2010.

Under the Trust Agreement, the Committee is required to design benefits with the goal of allowing the assets in the UAW Retiree Medical Benefits Trust to provide substantial medical benefits for the life of the retiree group. This means that the Committee must evaluate the assets available in the Trust, the projected cost of medical benefits far into the future, and make decisions establishing benefit levels so that the assets can be used to accomplish this long-term goal.

Q: Ford didn't go bankrupt. Why do we have to change our benefits at all?

A: The amount of funding for the UAW Retiree Medical Benefits Trust was established in the 2007 court-approved agreement and, based on the projections at that time, would have allowed the Trust to continue the benefit programs in effect for the life of the retiree group (with annual 3% inflation factors on the retiree co-pays, deductibles and out-of-pockets maximums).

The February 2009 changes to the Trust agreement (which were ratified by UAW members in February and which recently received final court approval) did not make significant changes to the Trust funding levels. Those changes allowed Ford to make some contributions in the form of Ford stock, but created a mechanism under which the value of those contributions should be consistent with the original scheduled value of the contribution stream from the 2007 Agreement.

Ford has survived the immediate difficulties in the auto industry far better than GM and Chrysler, and has not had to file for bankruptcy. Even though there was no Ford bankruptcy, and the 2009 changes do not materially change the funding outlook for the UAW Retiree Medical Benefits Trust for UAW Ford retirees, there are other factors -- completely unrelated to bargaining or to Ford's business prospects -- that have created a funding challenge for the Trust.

Under the 2007 Settlement, a large portion of the Ford funding was set aside effective January 1, 2008. These funds were in an "Internal VEBA" maintained at Ford, and in a Temporary Asset Account, also maintained at Ford. The amount in both those vehicles on January 1, 2008 was roughly \$6.5 billion, in accordance with the Settlement Agreement.

During 2008 and 2009, these assets were invested by Ford in a traditional portfolio of long-term investments.

The investment markets in 2008 experienced the worst year in many decades. Many stock indexes were down nearly 40% during the course of 2008. It was the worst year for the Standard & Poors index of U.S. stocks since its creation in 1957, and the worst year for large cap U.S. stocks since the 1930s. The investments in the Internal VEBA and the Temporary Asset Account were exposed to this turmoil in the market. In the aggregate, those investments lost over 25% of their value during 2008. While there has been some recovery in the investment markets this year, they have not made up for the heavy losses during 2008 and early 2009.

The financial models on which the UAW Retiree Medical Benefits Trust funding was based, of course, did not anticipate a 25% loss on this significant portion of the assets. In fact, those models anticipated that those assets -- which were invested during 2008 -- would *grow* with investment returns during 2008 consistent with historical investment returns in similar funds.

The Committee which governs the Trust, in order to be a responsible caretaker of these assets and allow the Trust to provide benefits on long-term basis to retirees, has had to make some adjustments to the benefit levels for 2010. The details are set out in the attached materials and will be communicated to retirees in letters going out later this month.



Overview Ford Plans



2010 Plan Design

- General Retirees – Harmonized plan design changes with Ford and GM (modest increases)
 - Protected Retirees – No Changes
- Special Benefit Part B Reimbursement (\$76.20) will continue
- Vision benefits will continue with SVS
- Dental benefits will continue
 - New Carrier – Delta Dental replaces BCBSM DenteMax
 - Midwestern DHMO will continue
 - DHMO's not retained
 - United Concordia
 - Group Dental & Health Plex (New Jersey)



Carve-Outs

- DME – No benefit change
 - Home Medical Equipment (HME) network offers both Wright & Filippis and Binsons
- Hearing and Physical Therapy – No change
 - TheraMatrix
 - AudioNet
- Mental Health & Substance Abuse – No change
 - Value Options / BCBSM



2010 Medical Plan Design Changes

- Harmonized plan design for Traditional Plan
 - Matches GM and Chrysler
 - Modest cost increases
- No changes to Protected Retiree design from 2009
- Catastrophic plan eliminated

General Retirees	2010	2009
Monthly Contributions Single/Family	\$15/\$30	\$11/\$22
Deductibles Single/Family	\$170/\$340	\$160/\$320
Co-Insurance In/Out Network	10%/30%	10%/30%
Out-of-Pocket Max In Network Single/Family	\$285/\$570	\$267/\$533
Out-of-Pocket Max Out Network Single/Family	\$570/\$1,140	\$533/\$1,066
Emergency Room Co-pay	\$100	\$53



2010 Pharmacy Plan Design Changes

- Rx co-pays apply to General and Protected retirees
 - Aligns with GM and Chrysler
 - Modest co-pay increases
 - Co-pays apply to TCN/PPO and HMO retirees
- Medco will be single sourced PBM for all Auto retiree groups (excludes HMO enrollees)

Prescription Drug Benefit	2010
	General & Protected
Retail Co-pays Generic / Brand (34-day supply)	\$10/\$25
Mail Co-pays Generic / Brand (90-day supply)	\$20/\$50
Proton Pump Inhibitor (PPI) (except in prior authorized cases of Barrett's Esophagitis & Zollinger-Ellison Syndrome)	Not Covered
Erectile Dysfunction (ED) (except in prior authorized cases of Pulmonary Arterial Hypertension)	Not Covered



2010 Medical Carrier Recap – Ford

■ Current Ford Carriers Retained for 2010

- Blue Cross Blue Shield of MI
 - Traditional Plan (TCN)
 - Blue Preferred Plus PPO (MI)
 - Blue Select PPO (Tennessee)
- HMO's
 - Health Alliance Plan
 - Blue Care Network (all locations)
 - Priority Health
 - Humana (all locations)
 - Blue Care Kansas City
 - Blue Advantage Chicago
 - Univera Buffalo
 - Health Partners MN
 - Kaiser HMO (all locations)

Each carrier was evaluated using Selection Criteria approved by the Trust's Board of Trustees.

Trust Carrier Selection Criteria

<u>Primary Criteria</u> - Must be met in order to be considered for contracting	Quality Performance
	Cost Effectiveness
	Enrollment Size
<u>Secondary Criteria</u> - Additional plan attributes considered during evaluation	Network
	Administrative
	UAW Service
	Future Strategy



2010 Medical Carrier Recap – Ford

■ Carriers Not Retained for 2010

➤ HMO's

- Blue Choice St. Louis
- Paramount Toledo
- HMO Health Ohio Cleveland
- Unicare Midwest Chicago
- Blue Preferred Cinn./Lima/Clev.
- CIGNA VA/CT/NC

- Members of eliminated plans will be defaulted to the Traditional Plan, effective January 1, 2010
- Eligible to elect new plan through rolling enrollment on January 1 for a March 1 effective date

Trust Carrier Selection Criteria

<u>Primary Criteria</u> - Must be met in order to be considered for contracting	Quality Performance
	Cost Effectiveness
	Enrollment Size
<u>Secondary Criteria</u> - Additional plan attributes considered during evaluation	Network
	Administrative
	UAW Service
	Future Strategy

Any future carrier expansions (e.g., in Oklahoma) will be evaluated using the Selection Criteria.



Eligibility Coverage for 2010

- The following dependents remain eligible for coverage:
 - Spouses
 - Same-Sex Domestic Partners
 - Children, until the end of the year in which they turn 25
 - Permanently and Totally Disabled Children (PTD)

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All Sponsored Dependents and Principally-Supported Children currently covered will have the opportunity to elect COBRA continuation coverage through the Trust.



Communications

Ford



Communications Plan & Timeline

- Comprehensive plan developed to introduce the VEBA to UAW-Ford retirees
 - Introduction package will be sent November 13 explaining what to expect from the VEBA during transition period
 - ID card packages will be mailed November 30
 - BCBSM and Medco will mail combined ID card
 - Humana and Medco will be separate ID cards
 - Delta Dental will mail ID cards December 1
 - Summary Plan description mailed in late December
 - Worked with UAW & Ford Corporate to coordinate effort

ACS Call Center (Retiree Health Care Connect) will open in Dearborn on December 1st to answer Ford-UAW Retiree calls.