



Vought Aircraft Industries, Inc.
Post Office Box 655907
Dallas, TX 75265-5907

Creditable Coverage Notice

If you are in the Managed Indemnity plan, enclosed is your Creditable Coverage Notice. Because you have creditable coverage with Vought, you do not need to enroll for Medicare Part D. If you ever need to choose a Medicare Part D prescription drug plan at some point in the future, you may do so without having to pay a higher premium.

November 5, 2007

Dear Retiree Medical Plan Participant,

Outlined below are your retiree medical enrollment options for 2008. The enrollment period will be from November 9 through November 26, 2007.

OPTIONS FOR MEDICARE-ELIGIBLE PARTICIPANTS

- In addition to the Secure Horizons Direct (PFFS) (offered only to participants who are currently in that plan) and the Managed Indemnity Plans, we will also be offering Medicare Supplement Insurance, insured by UnitedHealthcare Company.* This coverage is known as AARP Health Care Options.** Vought will no longer offer Health Plan (HIP) of New York HMO coverage to Medicare-eligible participants. If you are currently enrolled in the HIP of New York HMO, you will need to make a different selection for 2008.
- You may not select both the Secure Horizons Direct (PFFS) plan and AARP Health Care Options plan. Both plans require you to purchase a separate Medicare Part D plan for prescription drug coverage. Open enrollment for Medicare prescription drug plans will be November 15, 2007 through December 31, 2007. Contact Medicare at 1-800-633-4227 or visit their Web site at www.medicare.gov for additional information.
- **Stipend For Plans Other Than The Managed Indemnity**
 - Eligible Medicare participants will be given a monthly stipend of \$40 toward the cost of plans other than the Managed Indemnity plan including Secure Horizons Direct (PFFS) or AARP Health Care Options plans.
 - Currently, the \$40 monthly stipend is submitted directly to Secure Horizons Direct (PFFS). This will not change. However, beginning in 2008, if you elect the AARP Health Care Options or an alternate plan, the stipend can be included with your monthly pension check, allowing you to apply it toward the cost of any plan you choose. Complete and submit the attached form to request the stipend to be added to your monthly pension check.

OPTIONS FOR NON-MEDICARE ELIGIBLE PARTICIPANTS

- If you (or your dependents) are not Medicare-eligible, we are continuing to offer you the various Blue Cross Blue Shield plans that we've offered in the past, with no changes to those plan designs for 2008. You will continue your prescription drug coverage through Caremark.
- Non-Medicare eligible participants living in New York may be able to select the Health Plan (HIP) of New York. If you would like to discuss the plan design offered in your area, please call the number listed below.

IDENTIFICATION CARDS

Only participants who change plans will receive a new ID card. Show your new ID card to your medical providers and pharmacies on your first visit after January 1.

CONFIRMATION STATEMENT

You will be mailed a confirmation statement (following the enrollment period) showing your health plan selections for 2008. Please read this statement carefully and call the Benefits Center if you have questions about your coverage. If you sign up for either the Secure Horizons Direct (PFFS) or AARP Health Care Options Plan, you will also receive a confirmation directly from the provider.

ENROLLMENT QUESTIONS?

- AARP Health Care Options (UnitedHealthcare) 1-800-545-1797
- Secure Horizons Direct (PFFS) 1-800-287-0053
- Blue Cross Blue Shield Member Services 1-888-979-4514
- Health Plan (HIP) of New York 1-800-447-8255
- Vought Call Center 1-866-689-5999, 8 a.m. to 8 p.m.
Monday through Thursday and
8 a.m. to 4:30 p.m. on Friday
(Central Time).

TO ENROLL

- If you are enrolled in Secure Horizons Direct (PFFS) and wish to remain in that plan, do nothing.
- If you are enrolled in Secure Horizons Direct (PFFS) and wish to move to another plan (including AARP Health Care Options) or select no plan at all, visit the Vought Benefits Web site at benefits.voughtaircraft.com and select "opt out." The carrier will be sending you a disenrollment form which you must complete and return.

- Health Plan (HIP) of New York will no longer be offered to Medicare-eligible participants. You must either select another plan or “opt-out”. The carrier will be sending you a disenrollment form which you must complete and return.
- If you wish to enroll in AARP Health Care Options, complete the enrollment package you will be receiving from UnitedHealthcare. The package will need to be returned to UnitedHealthcare before December 15, 2007. *If you are currently enrolled in Secure Horizons Direct (PFFS), you will need to select “opt out” on the Vought Benefits Web site (benefits.voughtaircraft.com) and complete and return the disenrollment form that will be mailed to you separately.*
- If you do not choose to participate in any of the medical plans offered, you may elect to have the stipend sent directly to you. Complete and submit the attached form to request the stipend be added to your monthly pension check.
- Non-Medicare Eligible: Visit the Vought Excel Benefits Web site at benefits.voughtaircraft.com to view and select your medical plan options for 2008 or call the Vought Benefits Call Center.

As you know, costs for medical services and prescription drugs continue to rise. This means we must continually evaluate our retiree medical programs and, when necessary, make changes in retiree cost sharing and in our health care plan designs. We are pleased to be able to offer this package of options for the 2008 plan year.

Thank you for the opportunity to be of service with your retiree health care benefits.

Sincerely,



Cliff Collier
Manager – Benefits

* UnitedHealthcare Insurance Company of New York for New York Residents.

** AARP Health Care Options is the name of AARP’s health insurance and service program. It is not the insurer. AARP contracts with insurers to make coverage available to AARP members.

Enclosures: Grumman Contribution Schedule Over 65
Grumman Contribution Schedule Under 65
Certification of Medicare Coverage
Creditable Coverage Notice

The information in this document is intended as a summary. If there is a conflict between the information here and the official plan documents, the official documents will always determine how benefits are paid and the

way the plan works. Any changes in retiree contributions or optional life insurance premiums will be effective January 1, 2008.