New Low-Cost Boeing Medical Option for TRICARE Participants

Employees and Retirees Represented by SPEEA or Lazy B Pilots Association

Beginning July 1, 2006, Boeing will offer the TRICARE Supplement Plan. This new medical plan is available only to employees, early retirees, and dependents who are currently enrolled in the TRICARE Standard, Extra, or Prime plans (generally available only to military retirees, dependents of military retirees, or dependents of active duty service members).

You must be currently enrolled in a TRICARE plan sponsored by the Department of Defense to be eligible for enrollment in Boeing’s TRICARE Supplement Plan. If you are not, this information does not apply to you.

Introducing the TRICARE Supplement Plan

The TRICARE Supplement Plan is a cost-effective health plan option for eligible Boeing employees, retirees, and dependents. The plan allows you to take full advantage of your military health care benefits.

The TRICARE Supplement Plan coordinates with your existing TRICARE coverage. It pays most eligible expenses not reimbursed by your TRICARE Standard, Extra, or Prime plan.

 Highlights of the TRICARE Supplement Plan are in the following table.

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<tr>
<th>If you're enrolled in . . .</th>
<th>The TRICARE Supplement Plan pays . . .</th>
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<tbody>
<tr>
<td>TRICARE Standard or Extra</td>
<td>- Annual deductible amounts</td>
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<td>- Out-of-pocket expenses for outpatient services (office visits, X-ray, laboratory, emergency care, and so on), plus 100% of applicable excess charges</td>
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<td>- Daily subsistence fee for military hospital care</td>
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<td>- Out-of-pocket expenses for civilian hospital care</td>
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<td>- Deductibles and copayments for network and nonnetwork prescription drugs</td>
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<td>TRICARE Prime</td>
<td>- HMO network and pharmacy copayments and other out-of-pocket expenses</td>
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<td>- 50% of nonnetwork (POS) deductibles and out-of-pocket expenses, plus 100% of applicable excess charges</td>
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If you enroll in the new TRICARE Supplement Plan, this will be your only Boeing medical coverage. You cannot enroll in two Boeing medical plans.
Things to Consider Before Enrolling

The Department of Defense sets eligibility and coverage rules for the TRICARE Supplement Plan. In some instances, TRICARE provisions are different from other Boeing medical plans. These differences are described below.

Eligibility Rules

To enroll in the TRICARE Supplement Plan, all of the following must apply:

- You are an active employee of The Boeing Company represented by SPEEA or Lazy B Pilots Association, or you are a retiree represented by SPEEA or Lazy B Pilots Association and eligible for retiree medical benefits available through The Boeing Company.
- You and your covered dependents must be currently enrolled in a TRICARE Standard, Extra, or Prime plan through the Department of Defense.
- You and your covered dependents cannot be eligible for Medicare as a result of age or disability.
- Dependent children must be under age 21 (or under age 23 if a full-time student); certain incapacitated children over age 21 may be covered.

Same-gender domestic partners are not eligible to enroll in the TRICARE Supplement Plan.

Medicare Eligibility

Employees, retirees, and dependents who are eligible for Medicare cannot enroll in the TRICARE Supplement Plan offered by Boeing.

- If you are an active employee and you are eligible for Medicare, you and your dependents cannot enroll in the TRICARE Supplement Plan.
- If you are an active employee and have a dependent who is eligible for Medicare, you can enroll yourself and your non-Medicare-eligible dependents in the TRICARE Supplement Plan. Your Medicare-eligible dependent cannot be enrolled in the plan, and will not have Boeing medical coverage.
- If you are a retiree, the non-Medicare-eligible family members may enroll in the TRICARE Supplement Plan. The Medicare-eligible family members may enroll in the Boeing Medicare Supplement Plan.

Contact the Boeing Service Center for more information about TRICARE Supplement Plan eligibility rules.

Services and Supplies

The TRICARE Supplement Plan does not cover certain services and supplies, such as

- Chiropractic care.
- Hearing aids.
- Preventive care for adults or children over age 5 (except school physicals for children to age 11).
Depending on your current medical plan options, there may be other differences between the TRICARE Supplement Plan and your other medical plan options. You are encouraged to carefully compare benefits before making your enrollment decisions. The benefits enrollment guide explains how to access plan comparison information through the “Your Benefits Resources” web site or by phone through the Boeing Service Center for Health and Insurance Plans.

**Continuation Coverage**

If you or your dependent loses eligibility for TRICARE coverage, you may have an opportunity to continue coverage, depending on the circumstances. You will receive information about your continuation options at the time eligibility ends.

**Monthly Contributions for the TRICARE Supplement Plan**

The TRICARE Supplement Plan is a low-cost medical option. To find your contribution amount for 2006, log on to the “Your Benefits Resources” web site or call the Boeing Service Center through Boeing TotalAccess. (See your benefits enrollment guide for instructions.)

**How to Get More Information and Enroll**

To get more information about the TRICARE Supplement Plan or to enroll in the new plan, log on to the “Your Benefits Resources” web site or call the Boeing Service Center and speak with a representative beginning May 3, 2006. (See your benefits enrollment guide for instructions.)

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*Every effort has been made to provide accurate information in this Update. In the event of a conflict between this Update and any of the summary plan descriptions or official plan documents, the terms of those official plan documents will control. Copies of summary plan descriptions may be obtained by contacting the Boeing Service Center. The Boeing Company reserves the right to change, modify, amend, or terminate any of the plans described here at any time for any reason for employees, former employees, retirees, and their dependents.*