

**2006 SUMMARY OF AMO MEDICAL PLAN ENHANCEMENTS
FOR 2006 AND 2007**

The Plan office and the Board of Trustees of the AMO Medical Plan continue to monitor the costs of the Medical Plan. After 2½ years of medical claims experience based on the revised benefit structure established in 2004, the Plan is pleased that the outlook is very positive and the Plan changes thus far have achieved the desired result.

Based on the most recent information, the Board of Trustees of the AMO Medical Plan has determined that some benefits will be amended or restructured to provide enhancements to the Plan. The proposed benefits have been approved by the Subcommittee of the Board of Trustees and are subject to ratification by the full Board of Trustees at its next meeting.

I. A summary of the Plan changes effective August 1, 2006 is detailed below:

1. Death Benefits For Type A (Active Employees):

Benefits for Active Employees will increase to \$50,000 for non-accidental deaths, with an additional \$50,000 if death is a result of an accident, for a total benefit of \$100,000 in the case of an accidental death. To be eligible the employee must meet the basic medical eligibility requirements; special eligibility requirements will no longer apply.

The benefits in effect for deaths occurring prior to August 1, 2006 are as follows:

BENEFIT DESCRIPTION	DEDUCTIBLES/ CO-PAYMENTS/ CO-INSURANCE	AMO MEDICAL PLAN BENEFIT	VISIT/DOLLAR LIMITATION	PRE-CERT REQUIRED?
Death Benefit (Schedule L1)	No Deductible No Co-payment	\$14,000	Active Employees Only	No
Supplemental Death Benefit (Schedule L2)	No Deductible No Co-payment	\$26,000	Active Employees Only Supplemental requires 400 days of covered employment within 3 calendar years preceding year death occurred.	No
Accidental Death & Dismemberment Benefit (Schedule M1)	No Deductible No Co-payment	\$14,000	Active Employees Only	No
Supplemental Accidental Death & Dismemberment Benefit (Schedule M2)	No Deductible No Co-payment	\$26,000	Active Employees Only Supplemental requires 400 days of covered employment within 3 calendar years preceding year accident occurred.	No

Effective August 1, 2006 the following death benefits will be provided:

BENEFIT DESCRIPTION	DEDUCTIBLES/ CO-PAYMENTS/ CO-INSURANCE	AMO MEDICAL PLAN BENEFIT	VISIT/DOLLAR LIMITATION	PRE-CERT REQUIRED?
Death Benefit (Schedule L1)	No Deductible No Co-payment	\$50,000	Active Employees Only	No
Accidental Death & Dismemberment Benefit (Schedule M1)	No Deductible No Co-payment	\$50,000	Active Employees Only	No

The changes above do not apply if a Collective Bargaining Agreement or Schedule of Benefits covering the participant provides otherwise.

2. Air Ambulance Benefit:

Effective August 1, 2006, in addition to the Plan's ambulance benefit for ground transportation, the Plan will provide an Air Ambulance Benefit upon meeting medical necessity that is equivalent to the cost of local ground transportation to the nearest facility equipped to handle the medical necessity.

Prior to August 1, 2006, the Plan provides ambulance benefits as follows:

Ambulance Benefit must be a professional ambulance service, used locally to or from a hospital, and when related to in-hospital care. Locally means ground transportation only to the nearest facility equipped to handle the medical necessity.

BENEFIT DESCRIPTION	DEDUCTIBLES/ CO-PAYMENTS/ CO-INSURANCE	AMO MEDICAL PLAN BENEFIT	VISIT/DOLLAR LIMITATION	PRE-CERT REQUIRED?
Ambulance Benefit (Schedule K)	Subject to Annual Medical Deductible 10% of UCR after deductible	90% of UCR after deductible	Local ground transportation only.	No

Effective August 1, 2006, the Plan will also provide the following:

Air Ambulance Benefit will mean a helicopter or fixed wing aircraft used for transporting individuals with life-threatening injuries or conditions necessitating rapid transport to the nearest medical/trauma center (facility) equipped to handle the medical necessity by critical care personnel. All Air Ambulance Benefits will be based on a review of medical necessity.

BENEFIT DESCRIPTION	DEDUCTIBLES/ CO-PAYMENTS/ CO-INSURANCE	AMO MEDICAL PLAN BENEFIT	VISIT/DOLLAR LIMITATION	PRE-CERT REQUIRED?
Air Ambulance Benefit (Schedule K-1)	Subject to Annual Medical Deductible 10% of UCR for ground transport after deductible	90% of UCR for ground transport after deductible	Based on Medical necessity; benefit is equivalent to cost of local ground transportation.	No

3. Hearing Aid Benefit:

A hearing aid benefit is available for expenses incurred for hearing examinations and hearing aid devices. Hearing aid benefits are not available to Pensioners and their dependents.

Prior to August 1, 2006, the hearing aid benefit is as follows:

BENEFIT DESCRIPTION	DEDUCTIBLES/ CO-PAYMENTS/ CO-INSURANCE	AMO MEDICAL PLAN BENEFIT	VISIT/DOLLAR LIMITATION	PRE-CERT REQUIRED?
Hearing Aid Benefit (Schedule Q)	No Deductible No Co-payment	\$400 equipment/\$50 exam Every 3 calendar years	Active Employees Only	No

Effective August 1, 2006, the hearing aid benefit will be as follows:

BENEFIT DESCRIPTION	DEDUCTIBLES/ CO-PAYMENTS/ CO-INSURANCE	AMO MEDICAL PLAN BENEFIT	VISIT/DOLLAR LIMITATION	PRE-CERT REQUIRED?
Hearing Aid Benefit (Schedule Q)	No Deductible No Co-payment	\$1000 for services and equipment Every 3 calendar years	Active Employees Only	No

4. Prescription Drug Benefit:

Effective August 1, 2006, the Plan will provide prescription drug benefits for prenatal vitamins specifically prescribed by a legally qualified physician. Please note the Plan has specific exclusions for medications for impotence, oral contraceptives for eligible dependent children, anorexiant, vitamins of all kinds, except prenatal vitamins, with or without prescription, medications that are available over the counter, and food supplements.

Coming Soon: As a cost savings to both the participant and the Plan, a program is being designed in conjunction with the Plan's Pharmacy Benefit Manager (PBM), Envision/RxOptions, to provide benefits for certain defined generic over-the-counter (OTC) drugs with little or no co-payment. Certain specifically designated medications must be prescribed by a legally qualified physician and follow the guidelines of the program. The program will require a voluntary shift from higher priced prescribed brand drugs to the lower cost generic over-the-counter equivalent drugs. More information on this program will be forthcoming.

II. Direct Reimbursement (DR) Dental Benefit For Type A (Active Employees):

Effective January 1, 2007, the Plan's Direct Reimbursement (DR) Dental Benefit will be amended to provide for reimbursement of 100% of the first \$500 of eligible expenses incurred in the calendar year. This is an increase from the current structure, which provides for payment at 100% of the first \$100 of eligible expenses in a calendar year. The Plan will then pay the remaining dental benefit at 50% of the next \$3000 of eligible expenses (\$1500), up to a maximum of \$2000 for services in any calendar year.

The Plan's Direct Reimbursement (DR) Dental Schedule of Benefits for 2006 is as follows:

AMO Medical Plan Dental Schedule of Benefits (Effective January 1, 2005) Type A – ACTIVE PARTICIPANTS		
Description	AMO Medical Plan Benefit	Participant's Responsibility*
First \$100 of dental expense (subject to UCR)	100%	0%
Next \$500 of dental expense (subject to UCR)	80%	20%
Next \$3,000 of dental expense (subject to UCR)	50%	50%
Maximum Annual Benefit: \$2,000 per eligible active participant and covered dependent per calendar year		

*Participant may also be responsible for any charges over UCR or non-covered services

Effective January 1, 2007, the Plan's Direct Reimbursement (DR) Dental Schedule of Benefits for 2007 will be as follows:

AMO Medical Plan Proposed Dental Schedule of Benefits (Effective January 1, 2007) Type A – ACTIVE PARTICIPANTS		
Description	AMO Medical Plan Benefit	Participant's Responsibility*

First \$500 of dental expense (subject to UCR)	100%	0%
Next \$3000 of dental expense (subject to UCR)	50%	50%
Maximum Annual Benefit: \$2,000 per eligible active participant and covered dependent per calendar year		

***Participant may also be responsible for any charges over UCR or non-covered services**

III. Scholarship Benefits for Dependent Children of Active Participants and Pensioners:

The AMO Medical Plan's Scholarship Benefit was recently amended to provide \$3,000 per eligible student per scholastic year beginning with the 2005 Fall Semester. The AMO Medical Plan provides all eligible covered Participants with yearly scholarship benefits for each dependent child maintaining a passing average (2.0 G.P.A.) as a full-time student (24 credits a scholastic year) in an accredited college or trade school (four years of undergraduate study or the equivalent). To be eligible for the benefit, which is predicated on a negotiated contribution rate, the covered Participant must be eligible for medical benefits from the AMO Medical Plan both on the date the dependent student registers and the date the scholastic year ends. Also, the covered Participant must be employed by a company whose contributions to the Medical Plan include funds for the scholarship benefit both on the student's date of registration and the date the scholastic year ends.

Applying for the benefit is easy! Just complete an Application for Scholarship Benefits available via the AMO Plans web site www.amoplans.com or through the Plan office and return it with an official Registrar's Receipt to the Plan office.

Prior to the Fall Semester of 2005 the AMO Medical Plan Scholarship Benefit was:

AMERICAN MARITIME OFFICERS MEDICAL PLAN SCHEDULE OF BENEFITS NOT SUBJECT TO PPO RULES				
BENEFIT DESCRIPTION	DEDUCTIBLES/CO-PAYMENTS/CO-INSURANCE	AMO MEDICAL PLAN BENEFIT	VISIT/DOLLAR LIMITATION	PRE-CERT REQD?
Scholarship Benefit (Schedule W)	No Deductible No Co-payment	\$2,000 per scholastic year		No

Effective for the Fall Semester of 2005 the AMO Medical Plan Scholarship Benefits is:

AMERICAN MARITIME OFFICERS MEDICAL PLAN SCHEDULE OF BENEFITS NOT SUBJECT TO PPO RULES				
BENEFIT DESCRIPTION	DEDUCTIBLES/CO-PAYMENTS/CO-INSURANCE	AMO MEDICAL PLAN BENEFIT	VISIT/DOLLAR LIMITATION	PRE-CERT REQD?
Scholarship Benefit (Schedule W)	No Deductible No Co-payment	\$3,000 per scholastic year		No