

**IMPORTANT: PLEASE READ THIS INFORMATION ABOUT YOUR 2019 EMPLOYEE BENEFITS**

**SUMMARY ANNUAL REPORT FOR AMERICAN AIRLINES-SPONSORED HEALTH AND WELFARE PLANS**  
**(Includes Legacy US Airways plans)**

This is the summary annual report for American Airlines, Inc. sponsored health and welfare benefit plans for the plan year January 1, 2019 – December 31, 2019. The annual reports have been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA). The following health and welfare benefit plans' annual reports are summarized in this document:

- American Airlines, Inc. Health and Welfare Plan for Active Employees (Employer Identification #13-1502798, **Plan #501**) for the Plan year January 1, 2019 through December 31, 2019
- The Supplemental Medical Plan for Employees of Participating American Airlines Group Subsidiaries (Employer Identification #13-1502798, **Plan #503**) for the Plan year January 1, 2019 through December 31, 2019
- The American Airlines, Inc. Long Term Disability Plan (Employer Identification #13-1502798, **Plan #509**) for the Plan year January 1, 2019 through December 31, 2019
- TWA Retiree Health and Life Benefits Plan (Employer Identification #13-1502798, **Plan #511**) for the Plan year January 1, 2019 through December 31, 2019
- American Airlines, Inc. Pilot Long Term Disability Plan (Employer Identification #13-1502798, **Plan #513**), for the Plan year January 1, 2019 through December 31, 2019
- American Airlines, Inc. Health and Life Plan for Retirees (Employer Identification #13-1502798, **Plan #515**) for the Plan year January 1, 2019 through December 31, 2019
- American Airlines, Inc. 2012 Pilot Long Term Disability Plan (Employer Identification #13-1502798, **Plan # 516**), for the Plan year January 1, 2019 through December 31, 2019
- American Airlines, Inc. Health Benefit Plan for Certain Legacy Employees (Employer Identification #13-1502798, **Plan #517**) for the Plan year January 1, 2019 through December 31, 2019
- American Airlines, Inc. Group Life and Disability Plan for Certain Legacy Employees (Employer Identification #13-1502798, **Plan #518**) for the Plan year January 1, 2019 through December 31, 2019
- American Airlines, Inc. Flight Attendant Disability Plan for Certain Legacy Employees (Employer Identification #13-1502798, **Plan #519**) for the Plan year January 1, 2019 through December 31, 2019
- American Airlines, Inc. Pilot Disability Plan for Certain Legacy Employees (Employer Identification #13-1502798, **Plan #521**) for the Plan year January 1, 2019 through December 31, 2019

You and your eligible dependents may or may not be participants in one or more of these Plans; therefore, you should check your personal 2019 benefit enrollment records to determine how many and in which of these plans you were enrolled in 2019.

**I: American Airlines, Inc. Health and Welfare Plan for Active Employees (#501)**

American Airlines has committed itself to pay all self-funded (uninsured) health and dental claims incurred under the terms of the plan.

The plan has contracts with Metropolitan Life Insurance Company, Fidelity Security Life Insurance Company, Life Insurance Company of North America, Kaiser Foundation Health Plan of the Mid-Atlantic, Kaiser Foundation Health Plan of Hawaii, Kaiser Foundation Health Plan, Inc., Triple S Salud, Inc., Community Care HMO, and Humana Health Plans of Puerto Rico, Inc. to pay respectively all life insurance and long term care claims and any insured disability claims, vision insurance claims, accidental death and dismemberment claims, and certain health claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2019 were \$114,157,244.

Because of 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 December 31, 2019, the premiums paid under such "experience-rated" contracts were \$28,058,643 and the total of all benefit claims paid under these experience-rated contracts during the plan year were \$25,542,222.

**II: The Supplemental Medical Plan for Employees of Participating American Airlines Group Subsidiaries (#503)**

Benefits under the plan are provided on a self-funded (uninsured) basis through Voluntary Employee Benefits Association Trusts (VEBAs).

The value of plan assets, after subtracting liabilities of the plan, was \$99,882,635 as of December 31, 2019, compared to \$83,378,742 as of January 1, 2019. During the plan year the plan experienced an increase in its net assets of \$16,503,893. This increase 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 plan's

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/(loss) of \$19,759,680, including employer contributions of \$208, employee contributions of \$1,927,821, and earnings from investments of \$17,831,651. Plan expenses were \$3,255,787. These expenses included \$425,485 in administrative expenses and \$2,830,302 in benefits paid to participants and beneficiaries.

### **III: The American Airlines, Inc. Long Term Disability Plan (#509)**

Benefits under the plan are provided on a self-funded (uninsured) basis through a Voluntary Employee Benefits Association Trust (VEBA).

The value of plan assets, after subtracting liabilities of the plan, was \$240,742,676 as of December 31, 2019, compared to \$203,565,329 as of January 1, 2019. During the plan year the plan experienced an increase in its net assets of \$37,177,347. This increase 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 plan's 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/(loss) of \$51,347,904, including employer contributions of \$179, employee contributions of \$7,211,840, and earnings from investments of \$44,134,905. Plan expenses were \$14,170,557. These expenses included \$1,997,107 in administrative expenses and \$12,173,450 in benefits paid to participants.

### **IV: TWA Retiree Health and Life Benefits Plan (#511)**

American Airlines has committed itself to pay certain self-funded (uninsured) health claims incurred under the terms of the plan while other health benefits under the plan are provided on a self-funded (uninsured) basis through a Voluntary Employee Benefits Association Trust (VEBA).

The plan has a contract with Metropolitan Life Insurance Company to pay all life insurance claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2019 were \$3,090,378. Because it is a so called "experience-rated" contract, 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 December 31, 2019, the premiums paid under such "experience-rated" contract were \$3,090,378 and the total of all benefit claims paid under the experience-rated contract during the plan year were \$3,492,138.

The value of plan assets, after subtracting liabilities of the plan, was \$1,179,059 as of December 31, 2019, compared to \$1,774,526 as of January 1, 2019. During the plan year the plan experienced a decrease in its net assets of (\$595,467). This decrease 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 plan's 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 \$5,844,950, including employer contributions of \$3,189,924, employee contributions of \$2,626,944, and earnings from investments of \$28,082. Plan expenses were \$6,440,417. These expenses included \$398,000 in administrative expenses and \$6,042,417 in benefits paid to participants and beneficiaries.

### **V. American Airlines, Inc. Pilot Long Term Disability Plan (#513)**

American Airlines has committed itself to pay all self-funded (uninsured) long term disability claims incurred under the terms of the plan.

Additional Explanation: The plan is 100% funded by American Airlines, Inc. corporate assets—employees do not make contributions for coverage under the plan. The plan became effective on February 1, 2004, in accordance with the collective bargaining agreement between American Airlines, Inc. and the Allied Pilots Association and closed to new entrants effective September 30, 2012.

### **VI. American Airlines, Inc. Life and Health Benefits Plan for Retirees (#515)**

American Airlines has committed itself to pay certain self-funded (uninsured) health claims incurred under the terms of the plan while other health claims under the plan are provided on a self-funded (uninsured) basis through Voluntary Employee Benefits Association Trusts (VEBAs).

The plan has contracts with Metropolitan Life Insurance Company to pay all life insurance claims and with Triple S Salud, Inc. to pay certain health claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2019 were \$6,940,955. 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 December 31, 2019, the premiums paid under such "experience-rated" contracts were \$6,940,955 and the total of all benefit claims paid under these experience-rated contracts during the plan year were \$5,770,946.

The value of plan assets, after subtracting liabilities of the plan, was \$202,959,366 as of December 31, 2019, compared to \$224,394,048 as of January 1, 2019. During the plan year the plan experienced a decrease in its net assets of (\$21,434,682). This decrease 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 plan's 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 \$46,485,876, including employer contributions of \$1,881,288, employee contributions of \$2,997,575, and earnings from investments of \$41,607,013. Plan expenses were \$67,920,558. These expenses included \$7,574,325 in administrative expenses and \$60,346,233 in benefits paid to participants and beneficiaries.

### **VII. American Airlines, Inc. 2012 Pilot Long Term Disability Plan (#516)**

American Airlines has committed itself to pay all self-funded (uninsured) long term disability claims incurred under the terms of the plan.

Additional Explanation: The plan is 100% funded by American Airlines, Inc. corporate assets—employees do not make contributions for coverage under the plan. The plan became effective on October 1, 2012, in accordance with the collective bargaining agreement between American Airlines, Inc. and the Allied Pilots Association.

**VIII. American Airlines, Inc. Health Benefits Plan for Certain Legacy Employees (#517)**

American Airlines has committed itself to pay certain self-funded (uninsured) health and dental claims incurred under the terms of the plan.

The plan has contracts with Unum Life Insurance Company of America to pay long term care insurance and Fidelity Security Life Insurance Company to pay vision insurance claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2019 were \$1,320,890.

Because it is a so called "experience-rated" contract, 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 December 31, 2019, the premiums paid under such "experience-rated" contract were \$351,278 and the total of all benefit claims paid under the experience-rated contract during the plan year were \$0.

**IX. American Airlines, Inc. Group Life and Disability Plan for Certain Legacy Employees (#518)**

The plan has contracts with Metropolitan Life Insurance Company to pay long term disability, accidental death and dismemberment, and life insurance claims incurred under the terms of the plan. Total premiums paid for the plan year ending December 31, 2019 were \$7,089,539.

**X. American Airlines, Inc. Flight Attendant Disability Plan for Certain Legacy Employees (#519)**

American Airlines has committed itself to pay all self-funded (uninsured) long term disability claims incurred under the terms of the plan.

Additional Explanation: Employees do not make contributions for this coverage.

**XI. American Airlines, Inc. Pilot Disability Plan for Certain Legacy Pilots (#521)**

American Airlines has committed itself to pay certain self-funded (uninsured) long term disability claims incurred under the terms of the plan.

The value of plan assets, after subtracting liabilities of the plan, was \$5,317 as of December 31, 2019, compared to \$8,013 as of January 1, 2019. During the plan year the plan experienced a decrease in its net assets of (\$2,696). This decrease 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 plan's 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 \$8,557,770, including employer contributions of \$8,467,711 and earnings from investments of \$90,059. Plan expenses were \$8,560,466. These expenses included \$223,351 in administrative expenses and \$8,337,115 in benefits paid to participants.

**YOUR RIGHTS TO ADDITIONAL INFORMATION**

You have the right to receive a copy of the full annual reports, on any part thereof, for any of these health and welfare benefit plans, upon request. The accountant's reports, financial information, information on payments to service providers and insurance information are included in these reports, if applicable. To obtain a copy of these full annual reports, or any parts thereof, contact us by phone by calling the American Airlines, Inc. Benefits Service Center at 888-860-6178.

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, where applicable by plan. 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.

You also have the legally protected right to examine the annual report(s) at the main office of these plans located at American Airlines, Inc. Corporate Headquarters, 1 Skyview Drive, Fort Worth, TX 76155, 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 of Labor 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.