

Summary Annual Report

for the Health and Welfare Plans

2016 Plan Year



Published by People Operations

This is a summary of the annual report of The Aerospace Corporation's Health and Welfare Plans, employer identification number (EIN) 95-2102389, Plans 501, 502, 504, 505, 507, 508, 509, 511, and 517, for 2016. The annual report has been filed with the Pension and Welfare Benefits Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA). This document has been prepared in compliance with Department of Labor (DOL) regulations.

Questions regarding this report may be directed to MaryAnn Bailey, Director of Employee Benefits, at 310-336-5107.

Employee Insurance Information

Group Hospital-Medical Plan, Health Insurance for Plan Year 2016, Plan 502

The plan has a contract with Anthem Blue Cross to pay fees for employee assistance services under the terms of the plan. The total premiums paid for the plan year ending Dec. 31, 2016 were \$72,632.

The Aerospace Corporation has committed itself to pay certain claims incurred under the terms of the plan.

Aerospace Health Maintenance Organizations, Health Insurance for Plan Year 2016, Plan 511

The plan has contracts with Association and Society Insurance Corp. (Tricare), CaliforniaCare (Anthem Blue Cross), Kaiser Foundation Health Plan (Southern and Northern California Regions and Mid-Atlantic) to provide Pre-paid Hospital-Medical Benefits incurred under the terms of the plan. The total premiums paid for the plan year ending Dec. 31, 2016, were \$15,113,984.

Dental Expense Plans for Plan Year 2016, Plan 504

The plan has contracts with the Dental Net-Blue Cross and Cigna Dental Plan to pay certain dental claims incurred under the terms of the plan. The total premiums paid under Dental Net and Cigna Dental Plan for the policy year ending Dec. 31, 2016, were \$259,215.

Group Life Insurance for Plan Year 2016, Plan 505

The plan has a contract with The Hartford to pay all life insurance claims incurred under the terms of the plan. The total premiums paid for the plan year ending Dec. 31, 2016, were \$4,389,264.

Because The Hartford 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 Dec. 31, 2016, the premiums paid under such "experience-rated" contracts were \$4,389,264, and the total of all benefit claims paid under this experience-rated contract during the plan year were \$1,476,096.

Voluntary Personal Accident Insurance Plan, Accidental Death and Dismemberment with Permanent and Total Disability for Plan Year 2016, Plan 509

The plan has a contract with the Zurich-American Insurance Company to pay certain Accidental Death and Dismemberment and Disability claims incurred under the terms of the plan. The total premiums paid for the plan year ending Dec. 31, 2016, were \$317,508.

Occupational Accident Insurance Plan, Accidental Death and Dismemberment for Plan Year 2016, Plan 508

The plan has a contract with the Zurich-American Insurance Company to pay certain Accidental Death and Dismemberment claims incurred under the terms of the plan. The total premiums paid for the plan ending Dec. 31, 2016, were \$50,151.

Short-Term Disability Insurance Plan for Non-California Employees for Plan Year 2016, Plan 501

The plan has a contract with The Hartford to pay certain Temporary Disability Income (Accident or Sickness) claims incurred under the terms of the plan. The total premiums paid for the plan year ending Dec. 31, 2016, were \$477,752.

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This Summary Annual Report is not an employment contract or an offer to enter into an employment contract, nor does it constitute an agreement by the company to continue to maintain the plans described or referred to herein. The company intends to continue the plans, but reserves the right to amend, change, modify or terminate the plans at any time. The company reserves the right to correct any clerical errors.

Long-Term Disability Insurance Plan, Long Term Disability for Plan Year 2016, Plan 507

The plan has a contract with the The Hartford to pay all Long-Term Disability claims incurred under the terms of the plan. The total premiums paid for the plan year ending Dec. 31, 2016, were \$1,812,551.

Vision Service Plan for Plan Year 2016, Plan 517

The plan has a contract with Vision Service Plan (VSP) to pay certain vision service claims incurred under the terms of the plan. Because VSP 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 policy year ending Dec. 31, 2016, the premiums paid under such “experience-rated” contracts were \$489,775, and the total of all benefit claims paid under the “experience-rated” contracts during the plan year were \$367,988.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. To obtain a copy

of the full annual report, or any part thereof, write to Plan Administrator, Employee Benefits, The Aerospace Corporation, 2310 E. El Segundo Blvd., M3-433, El Segundo, California, 90245-4691. The charge to cover copying costs is \$10 for the full annual report, or 10 cents per page for any part.

You also have the legally protected right to examine the annual report at the main office of the plan (Employee Benefits Office, The Aerospace Corporation, 2310 E. El Segundo Blvd., El Segundo, CA) 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 should be addressed to:

Public Disclosure Room, N-5638
Pension and Welfare Benefit Programs
U.S. Department of Labor
200 Constitution Ave., N.W.
Washington, DC 20210