

Brothers,

As most of you know, following our last contract NS increased their contribution to our STD Plan from \$13.00 to \$44.00. Because they would not reduce our portion of the premiums below the initial amount we paid (\$13.68) we have been paying \$10.48 in excess premiums to Lincoln Financial Group (LFG).

Originally we were going to place these excess funds in a trust account for future use for any premium increases. Unfortunately, because of a lawsuit LFG was involved in previously with another group they will not send the excess portion of the premiums to us. They would return it to NS however, after due consideration, the three General Chairmen along with the undersigned and Mr. Taylor from Railroad Marketing (Our Broker) decided to look into increasing the benefits of the plan with the excess funds and money held in escrow at LFG.

Accordingly, this is to advise that effective April 1, 2009 all locomotive engineers on the eligibility list will have a \$50,000.00 Life Insurance policy and two separate Accidental Death & Dismemberment policies for \$50,000.00 and \$62,000.00. This Life Insurance is in addition to the \$20,000.00 provided for with the H&W coverage under our agreement.

The AD&D policies are in effect for 24 hour coverage wherein the \$500,000.00 already in effect with our STD plan only applies when you are being transported in third party conveyance by NS.

We will be providing a (Beneficiary Form) in the near future for all engineers to fill out and return to LFG to avoid any legal issues in case of death.

If we have a rate increase when our plan is up for renewal on January 1, 2010 we will reduce one of the AD&D policies or possibly put out a vote to increase our portion of the existing premiums through payroll deduction.

I hope to put out a letter with more information about our STD Plan. I would ask that all of you post this information at all work locations and send to anyone on your email lists.

If you have any questions please feel free to call me.

William A. Thompson

Break down care of General Chairman Willard Knight, NS East

The insurance breakdown is as follows: the \$10.48 overpayment on the current disability will be applied at \$8.00 premium for \$50,000 of term life the additional \$2.48 will be applied for the premium for \$62,000 of accidental death insurance.

The \$350,000 escrow will be used to pay the premium of \$8.00 per participant per month in the plan for an additional \$50,000 term life plus pay for a waiver of premium.

The waiver of premium benefit will be as follows: if off for discipline the employee will have to pay the \$10.48 premium for all time off. if he is off account of sickness or accident (disability) he only has to pay the \$10.48 premium for the first six months. After the six month period there will be a waiver of premium until he or she returns to work.

