

**NOTICE OF PROPOSED SECOND CLASS ACTION SETTLEMENT**

**SUPERIOR COURT OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

***HOLLY WEDDING, ET AL. V. CALIFORNIA PUBLIC EMPLOYEES  
RETIREMENT SYSTEM, ET AL., CASE NO. BC517444***

*A court authorized this notice. This is not a solicitation from a lawyer.*

**IF YOU WERE A CALIFORNIA CITIZEN ON FEBRUARY 1, 2013 AND YOU PURCHASED A LONG-TERM CARE INSURANCE POLICY FROM CALPERS THAT INCLUDED AUTOMATIC INFLATION PROTECTION BENEFITS AND YOU WERE SUBJECTED TO THE 85% PREMIUM INCREASE ANNOUNCED BY CALPERS IN 2013 AND IMPLEMENTED IN 2015 AND 2016, YOU ARE ENTITLED TO PARTICIPATE IN A PROPOSED SECOND CLASS ACTION SETTLEMENT.**

**TO UNDERSTAND YOUR RIGHTS, PLEASE READ THIS NOTICE CAREFULLY.**

- In July 2021, the Parties in this case entered into a Prior Settlement Agreement (the “Prior Settlement”) and you received a notice that was sent to all Settlement Class Members. Unfortunately, because too many Class Members elected to opt out and keep their CalPERS policies, the Prior Settlement was terminated on April 20, 2022.
- However, a **new** proposed class action settlement (the “New Settlement” or “Second Settlement”) has been reached between Plaintiffs and class representatives Holly Wedding, Richard Lodyga and Eileen Lodyga (“Plaintiffs”), on behalf of themselves and the proposed Settlement Class, which is defined in response to Question 4, and Defendant California Public Employees Retirement System (“CalPERS”). This is a **new settlement** with **different terms** and conditions. Please read this Notice **carefully**.
- Because this is a new class action settlement with different options and remedies, you are required to **respond to this Settlement Notice**. Selections from the Prior Settlement will **not** be carried over to the New Settlement. You must respond to this Notice **even if** you responded to notice of the Prior Settlement.
- The New Settlement resolves a class action lawsuit for a subgroup of Class Members based on the claim that CalPERS breached the insurance contract between Plaintiffs and other individuals who purchased a Long-Term Care Policy (either LTC1 or LTC2) with automatic inflation protection benefits by raising premiums 85% for these Class Members. This increase was announced by CalPERS in 2013 and implemented in 2015 and 2016. CalPERS denies all liability to Settlement Class Members, asserts that it did not breach the terms of the contract of insurance, and has entered into the New Settlement solely for purposes of resolving this dispute.
- Please read this Notice carefully. However, if you still have questions after reading the Notice, you may contact the Settlement Administrator at 1-866-217-8056, visit the Settlement Website at [www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com) or email the Settlement Administrator at [info@CalPERSLTCClassAction.com](mailto:info@CalPERSLTCClassAction.com).
- The New Settlement provides different benefits to Settlement Class Members depending on whether they are current policyholders who are not On Claim, current policyholders who are On Claim, or prior policyholders who allowed their CalPERS Long-Term Care (“LTC”) Policies to Lapse, exhausted their benefits, or died. The benefits provided by the New Settlement for each category are outlined below and will be provided to Settlement Class Members based on their Final Settlement Category on the Final Settlement Date, which is explained in response to Question 7 below.

FINAL SETTLEMENT CATEGORY	POTENTIAL AWARDS TO PARTICIPATING SETTLEMENT CLASS MEMBERS
<p><b>CATEGORY A.</b> Participating Settlement Class Members who are Current Policyholders and who are not On Claim on the Final Settlement Date</p>	<p>Participating Settlement Class Members who, on the Final Settlement Date, are Current Policyholders and who are not On Claim shall have the following options:</p> <p><b>Option 1:</b> Receive a refund equivalent to 80% of all premiums paid to CalPERS for their CalPERS LTC Policy from the inception of the policy through the Final Settlement Date, less any benefits paid under the CalPERS LTC Policy. Any Participating Settlement Class Member who elects Option 1 shall receive a minimum payment of no less than \$8,000. All Participating Settlement Class Members who select Option 1 shall Surrender their CalPERS LTC Policy upon payment of this refund.</p> <p><b>Option 2:</b> Participating Settlement Class Members who elect Option 2 shall receive a \$1,000 cash payment and shall retain their Policies and all benefits due thereunder.</p> <p>Any Participating Settlement Class Member who does not make an election shall be deemed to have selected Option 2. <b>IMPORTANT: Settlement Class Members in Settlement Category A must continue to make premium payments to CalPERS until the Settlement becomes Final in order to remain in Category A. If you cancel or otherwise let your Policy lapse before the Settlement becomes Final you will no longer be in Category A and will no longer be eligible to receive either of the options available to those in Category A.</b></p>
<p><b>CATEGORY B.</b> Participating Settlement Class Members who are On Claim both on the Notice Date and the Final Settlement Date and who paid the Challenged Increase.</p>	<p>Participating Settlement Class Members who paid any part of the Challenged Increase and are On Claim both on the Notice Date and on the Final Settlement Date, shall have the following options:</p> <p><b>Option 1:</b> Receive a refund equivalent to 80% of all premiums paid to CalPERS for their CalPERS LTC Policy from the inception of the policy through the Final Settlement Date, less any benefits paid under the CalPERS LTC Policy. Any Participating Settlement Class Member who elects Option 1 shall receive a minimum payment of no less than \$8,000. All Participating Settlement Class Members who select Option 1 shall Surrender their CalPERS LTC Policy upon payment of this refund.</p> <p><b>Option 2:</b> Participating Settlement Class Members who elect Option 2 shall receive a \$1,000 cash payment and shall retain their Policies and all benefits due thereunder.</p> <p>Any Participating Settlement Class Member who does not make an election shall be deemed to have selected Option 2.</p>
<p><b>CATEGORY C.</b> Participating Settlement Class Members who are On Claim both on the Notice Date and the Final Settlement Date and who reduced benefits as a result of the Challenged Increase.</p>	<p>Participating Settlement Class Members who are On Claim on both the Notice Date and the Final Settlement Date, but reduced their benefits as a result of the Challenged Increase before going On Claim, shall have the following options:</p> <p><b>Option 1:</b> Receive a refund equivalent to 80% of all premiums paid to CalPERS for their CalPERS LTC Policy from the inception of the policy through the Final Settlement Date, less any benefits paid under the CalPERS LTC Policy. Any Participating Settlement Class Member who elects Option 1 shall receive a minimum payment of no less than \$8,000. All Participating Settlement Class Members who select Option 1 shall Surrender their CalPERS LTC Policy upon payment of this refund.</p> <p><b>Option 2:</b> Participating Settlement Class Members who elect Option 2 shall receive a \$1,000 cash payment and shall retain their Policies and all benefits due thereunder.</p> <p>Any Participating Settlement Class Member who does not make an election shall be deemed to have selected Option 2.</p>

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<p><b>CATEGORY D.</b> Participating Settlement Class Members who let their CalPERS LTC Policy Lapse between February 1, 2013 and December 31, 2014.</p>	<p>Participating Settlement Class Members who let their CalPERS LTC Policy Lapse between February 1, 2013, and December 31, 2014, and who submit a Lapse Claim Form stating under penalty of perjury that they let their policy Lapse as a result of the Challenged Increase, shall receive a refund equivalent to 40% of all premiums paid to CalPERS for their CalPERS LTC Policy from the inception of their CalPERS LTC Policy through the date their CalPERS LTC Policy Lapsed, less any amounts paid in benefits under their CalPERS LTC Policy.</p>
<p><b>CATEGORY E.</b> Participating Settlement Class Members who let their CalPERS LTC Policy Lapse between January 1, 2015 and the Final Settlement Date.</p>	<p>Participating Settlement Class Members who let their CalPERS LTC Policy Lapse between January 1, 2015, and the Final Settlement Date, and who submit a Lapse Claim Form stating under penalty of perjury that they let their CalPERS LTC Policy Lapse as a result of the Challenged Increase, will receive 80% of all Additional Premiums paid, or \$2,000, whichever is greater.</p>
<p><b>CATEGORY F.</b> Participating Settlement Class Members who passed away after February 1, 2013 and before the Final Settlement Date, and who reduced benefits as a result of the Challenged Increase.</p>	<p>The estates of Participating Settlement Class Members who (1) died after February 1, 2013, and before the Final Settlement Date, (2) were Current Policyholders or were On Claim at the time of their death, and (3) reduced their benefits as a result of the Challenged Increase, shall receive 80% of all Additional Premiums paid or, \$2,000, whichever is greater.</p>
<p><b>CATEGORY G.</b> Participating Settlement Class Members who passed away after February 1, 2013 and before the Final Settlement Date, and who paid the Challenged Increase and never reduced benefits in response to the Challenged Increase.</p>	<p>The estates of Participating Settlement Class Members who (1) died after February 1, 2013, and before the Final Settlement Date, (2) were Current Policyholders or were On Claim at the time of their death, (3) paid the Challenged Increase, and (4) never reduced their benefits as a result of the Challenged Increase, shall receive 80% of all Additional Premiums paid.</p>
<p><b>CATEGORY H.</b> Participating Settlement Class Members who paid the Challenged Increase, went On Claim, and exhausted their benefits before the Final Settlement Date.</p>	<p>Participating Settlement Class Members who paid the Challenged Increase, who went On Claim at any time before the Final Settlement Date, and exhausted their benefits before the Final Settlement Date, shall receive a refund of 80% of all Additional Premiums paid.</p>
<p><b>CATEGORY I.</b> Participating Settlement Class Members who are Current Policyholders who were not On Claim as of the Notice Date but are On Claim as of the Final Settlement Date.</p>	<p>Participating Settlement Class Members who are Current Policyholders, who were not On Claim as of the Notice Date, but are On Claim as of the Final Settlement Date, shall receive a Late Election Form giving them the following options:</p> <p><b>Option 1:</b> Receive a refund equivalent to 80% of all premiums paid to CalPERS for their CalPERS LTC Policy from the inception of the policy through the Final Settlement Date, less any benefits paid under the CalPERS LTC Policy. Any Participating Settlement Class Member who elects Option 1 shall receive a minimum payment of no less than \$8,000. All Participating Settlement Class Members who select Option 1 shall Surrender their CalPERS LTC Policy upon payment of this refund.</p> <p><b>Option 2:</b> Participating Settlement Class Members who elect Option 2 shall receive a cash payment of \$1,000 and shall retain their Policies and all benefits due thereunder.</p> <p>Any Participating Settlement Class Members who do not submit a Late Election Form shall be deemed to have selected Option 2.</p>

The enclosed Individual Award Letter identifies the Initial Settlement Category that you fall into and the amount of the benefits that you will be entitled to receive from the New Settlement if you are still in that Settlement Category when the New Settlement becomes Final and you use no additional benefits under your Policy.

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**OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE NEW SETTLEMENT**

<p><b>IF YOU ARE IN “CATEGORY A, B or C,” PLEASE GO ONLINE AND COMPLETE THE ELECTION FORM BY JUNE 6, 2023, STATING WHETHER YOU WANT EITHER OPTION 1 - A REFUND OF 80% OF ALL PREMIUMS PAID TO CALPERS IN EXCHANGE FOR GIVING UP YOUR POLICY OR OPTION 2 - RETAIN YOUR POLICY AND RECEIVE \$1,000 CASH PAYMENT</b></p>	<p>Subject to the Court’s final approval of the terms of the New Settlement, you will be entitled to receive a refund of 80% of all premiums paid to CalPERS for your LTC Policy from its inception through the Final Settlement Date (less any benefits paid).</p> <p>In exchange for this refund, you will give up your Claims in this case within the scope of the release set forth below, and you will give up your CalPERS LTC Policy. By giving up your CalPERS LTC Policy, you will not be entitled to any of the benefits of your CalPERS LTC insurance going forward.</p> <p><b>OR</b>, you can retain your CalPERS LTC Insurance Policy and receive \$1,000. Additionally, if you elect this option, your current premium rate cannot be increased prior to November 1, 2024. If you are a “Category A, B or C” Class Member and do not respond to this Notice then you will be deemed to have selected Option 2 to retain your CalPERS LTC Insurance Policy and receive the \$1,000 cash payment and the benefit of the temporary premium freeze.</p> <p><b>Importantly, to receive either of the two options under Category A you MUST be a Current Policyholder—and continue paying premiums—until the New Settlement becomes final and effective.</b> Your right to receive the benefits is dependent on the status of your LTC Policy on the Final Settlement Date, which is the date that the Settlement becomes final and effective. This is described further in response to Question 7 below.</p>
<p><b>IF YOU ARE IN “CATEGORY D” OR “CATEGORY E,” YOU MUST SUBMIT A LAPSE CLAIM FORM ONLINE</b></p>	<p>In order to receive your Settlement award, you must go online and electronically sign and submit a Lapse Claim Form by <b>June 6, 2023</b>. If you do not complete a Lapse Claim Form electronically, you will <u>NOT</u> receive any benefits from the New Settlement.</p>
<p><b>FOR SETTLEMENT CLASS MEMBERS IN ALL CATEGORIES, YOU CAN EXCLUDE YOURSELF FROM THE NEW SETTLEMENT</b></p>	<p>If you submit a Request for Exclusion, which must be postmarked by <b>June 6, 2023</b>, you will <u>NOT</u> receive any Settlement payment and will not release any Claims you may have against CalPERS. You will then need to retain your own attorney if you wish to pursue those Claims.</p>
<p><b>FOR SETTLEMENT CLASS MEMBERS IN ALL CATEGORIES, YOU CAN OBJECT</b></p>	<p>If you wish to object to the New Settlement, you must submit a written objection, and supporting papers, to the Settlement Administrator that is postmarked no later than <b>June 6, 2023</b>. You may not request exclusion and also object to the New Settlement.</p>

- Your rights and options as a Settlement Class Member—and how to exercise them—are explained in more detail in this Notice.
- The Court still has to decide whether to grant final approval of the New Settlement. Settlement payments will only be issued if the Court grants final approval of the New Settlement and the New Settlement becomes final and effective.
- **Settlement Class Members who fall into “Settlement Category A” must be Current Policyholders—and continue to pay their premiums—until the date on which the New Settlement is final and effective to be eligible to receive a refund or to receive the \$1,000 cash payment and the benefit of the temporary freeze on premium increases.**
- Additional information regarding the New Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this Notice.

**DEADLINES**

**Settlement Class Members who are current CalPERS LTC policyholders (Category A-C):**

Go Online at [www.CalPERSLTCCClassAction.com](http://www.CalPERSLTCCClassAction.com) and electronically sign and submit the Election Form  
June 6, 2023

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## **Class Members who let their CalPERS LTC Policies Lapse (Categories D and E):**

Go Online at [www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com) and electronically sign and submit the Lapse Form

June 6, 2023

### **All Class Members:**

Exclude yourself from the Settlement (postmarked)

June 6, 2023

File an Objection to the Settlement (postmarked)

June 6, 2023

## **BASIC INFORMATION**

### **1. Why did I get this notice?**

Defendant's records show that you were a California citizen in February 2013, that you hold or held an LTC Policy issued by CalPERS that included automatic inflation protection benefits, and that you were subject to an 85% premium increase announced by CalPERS in 2013. This Notice explains the Action, the New Settlement, and your legal rights.

The lawsuit is known as *Holly Wedding, et al. v. California Public Employees' Retirement Fund*, and is pending in the Superior Court of California for the County of Los Angeles, Case No. BC517444 (the "Action"). Holly Wedding, Richard Lodyga and Eileen Lodyga are the Plaintiffs and Class Representatives, and they sued CalPERS and others, who are called the Defendants.

### **2. What is the Action about?**

In 1995, CalPERS began selling LTC policies to Class Members. In February 2013, CalPERS announced it was increasing the premiums for certain policies sold between 1995 and 2004 by 85% and that these rate increases would be implemented in 2015 and 2016. The lawsuit generally alleges that it was improper for CalPERS to impose this 85% rate increase. CalPERS denies that it did anything improper and denies that anything it may have done caused injuries to the Class.

### **3. Why is this lawsuit a class action?**

In a class action, one or more people called the "Plaintiff(s)" sue on behalf of people who have similar alleged claims. All of these people are a "class" or "class members." The Court resolves the issues for all class members, except for those who exclude themselves from the class. On January 28, 2016, the Honorable Jane Johnson issued an order certifying a class in this case. Thereafter, on March 10, 2023, the Honorable William F. Highberger issued an Order conditionally certifying this Settlement Class for purposes of this New Settlement only.

### **4. Who is in the Settlement Class?**

"Settlement Class Members" or the "Settlement Class" means all persons who meet all of the following three criteria: (1) were citizens of California in February 2013; (2) purchased an LTC Policy from CalPERS during the period 1995 to 2004 that included automatic inflation protection benefits; and (3) were subjected to the 85% premium increase announced by CalPERS in 2013 and implemented in 2015 and 2016. Policyholders who converted their policies to LTC3 policies prior to the implementation of the Challenged Increase are not included in the Settlement Class, even if the conversion occurred after the 85% rate increase was approved by the CalPERS Board in October 2012. The Settlement Class does not include those individuals who opted out of the Class certified by the Court on January 28, 2016. To be clear, if you opted out of the Prior Settlement in 2021, that opt out is no longer operative, and you are still a Settlement Class Member in the New Settlement, unless you choose to opt out again by submitting a valid Request for Exclusion.

### **5. Why didn't the Prior Settlement go forward?**

The Prior Settlement included a provision that if more than 10% of the prior Settlement Class excluded themselves from the Prior Settlement, the Prior Settlement could be terminated. More than 30% of the prior Settlement Class requested exclusion and the Prior Settlement was terminated.

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## 6. Why is there a New Settlement?

After the Prior Settlement was terminated, Class Counsel and CalPERS immediately began negotiations to see if a new settlement could be reached, while at the same time preparing to bring this case to trial. Class Counsel requested a trial date on the earliest possible date that could be scheduled. The Court set the trial for May 15, 2023.

In February 2023, after all expert discovery was done, Plaintiffs and CalPERS reached agreement on the New Settlement.

The New Settlement allows Settlement Class Members who want to exit the program and give up their policies to receive an 80% premium refund, or, for those who wish to retain their policies, the option of receiving \$1,000 cash payments as well as a moratorium on premium increases prior to November 1, 2024. The New Settlement will also provide benefits to those who lapsed or died. The New Settlement balances the interests of all Settlement Class Members by providing significant benefits to those who wish to leave (or have left) the program while at the same time ensuring that the CalPERS LTC program is able to meet its ongoing and future financial obligations.

Plaintiffs and their lawyers think the New Settlement achieves the above goals and is in the best interests of all Settlement Class Members.

### **THE NEW SETTLEMENT BENEFITS—WHAT YOU GET**

## 7. What does the New Settlement provide?

Under the terms of the New Settlement, Defendant will pay into a Qualified Settlement Fund (“QSF”), maintained by the Settlement Administrator, an amount that is equal to benefits payable to all Settlement Class Members who are eligible to receive 80% refunds or other cash payments based on the categories described above. If there are no requests for exclusion from the Settlement Class and the Settlement Class Members make the same decisions that they made as to the Prior Settlement, the total amount to be paid by CalPERS to Class Members is estimated by Plaintiffs’ experts to be \$740 million. CalPERS will also pay up to \$80 million in total for attorneys’ fees and expenses, Settlement Administration costs, and Service Awards for the named Plaintiffs.

Enclosed with this Notice is an Individual Award Letter which identifies your Initial Settlement Category and the amount that you are entitled to receive under the New Settlement, calculated as of December 31, 2022. That amount may decrease if your Initial Settlement Category changes or if you use any benefits under your CalPERS policy prior to the Final Settlement Date. If your policyholder status does change, your final award will be based on your Final Settlement Category on the Final Settlement Date.

For those Settlement Class Members who are in Categories A, B or C, the amount of the potential premium refund listed in your Award Letter reflects 80% of all premiums you have paid for your CalPERS LTC Policy up to December 31, 2022, less any benefits paid.

If you remain in Category A as of the Final Settlement Date, you do not use any benefits under your policy, and you choose to receive a premium refund in exchange for giving up your CalPERS LTC policy, you will also receive 80% of all additional premiums you pay after December 31, 2022, so the amount in your Award Letter may increase upon final approval of the New Settlement.

Once the New Settlement becomes Final as defined below, it is **estimated** that Settlement payments to Settlement Class Members, as well as the service award to Plaintiffs, and payment to Class Counsel for Court-awarded attorneys’ fees and expenses will be made within 105 calendar days following the date that the Settlement becomes Final. “Final” will mean the latest of the following dates, as applicable: (i) expiration of all potential appeal periods without a filing of a notice of appeal of the final approval order or judgment; or (ii) final affirmance of the final approval order and judgment by an appellate court as a result of any appeal(s), or (iii) final dismissal or denial of all such appeals (including any petitions for review, rehearing, certiorari, etc.) such that the final approval order and judgment is no longer subject to further judicial review.

Following distribution of the individual Settlement payments, any uncashed checks issued to Settlement Class Members will be sent to the California State Controller’s Unclaimed Money Fund and will include information required by the State Controller to identify the beneficiary of the funds. Any other funds remaining in the QSF will be distributed to a cy pres recipient (a charitable organization) approved by the Court.

## **8. What am I giving up in exchange for the Settlement benefits?**

Under the terms of the New Settlement, all Settlement Class Members will release CalPERS, and all of its respective current, former, and future parents, subsidiaries, predecessors and successors, and affiliated entities, and each of their respective officers, directors, employees, partners, shareholders, and agents, and any other successors, assigns, or legal representatives from any and all breach of contract Claims, rights, demands, liabilities, and/or causes of action of every nature and description, whether known or unknown, arising from or related to the 85% premium increase announced in 2013, including, without limitation, statutory, constitutional, contractual, and/or common law Claims.

For Settlement Class Members in Categories A, B or C, if you elect a premium refund, you will also be required to Surrender your CalPERS LTC Policy and will not be entitled to any benefits from that policy in the future.

## **9. Is there a chance the New Settlement may not go forward?**

Yes. Like the Prior Settlement, under the terms of the New Settlement, CalPERS has the option to terminate the Settlement. CalPERS may exercise this option if more than 1% of Class Members exclude themselves from the New Settlement. Also, there is a possibility that the Court may not grant Final Approval of the New Settlement. If either of these events occurs, the litigation against CalPERS will continue.

**Because there is the possibility that the New Settlement may not go forward, it is critical that you make any decisions concerning your LTC Insurance as if there was no New Settlement.**

### **HOW TO GET A SETTLEMENT PAYMENT**

## **10. How do I get a Settlement payment?**

Subject to the Court's final approval of the terms of the New Settlement, your submission of the required information, and the New Settlement becoming final and effective, any Settlement payment you are entitled to under the Settlement Agreement will automatically be mailed to you at the address where this Notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator). In exchange for this Settlement payment, you will give up your Claims in this case.

## **11. When will I get my check?**

Checks will be mailed to eligible Settlement Class Members only after the Court grants "final approval" of the New Settlement and the New Settlement becomes final and effective. If the Court approves the New Settlement after a hearing on July 26, 2023 (see "The Court's Final Approval Hearing" below), there may be appeals. If there are any appeals, resolving them could take some time, so please be patient. If there is an appeal, the Settlement website will be updated. If there is no appeal, then the New Settlement will become final and effective 60 days after final approval. Plaintiffs' counsel estimates that checks will be mailed to eligible class members within 105 days after the New Settlement becomes final and effective.

Please also be advised that you will only have 90 days from the date that the checks are issued to cash the check. If you do not cash your check within 90 days of the date of its issuance, your individual Settlement check will be voided. You will be permitted to request the reissuance of the check from the Settlement Administrator for a period of up to 90 days thereafter. And if your Settlement funds are ultimately sent to the State Controller's Unclaimed Property Fund, you will be entitled to seek to obtain the funds from the State Controller.

### **EXCLUDING YOURSELF FROM THE NEW SETTLEMENT**

## **12. How do I exclude myself or "opt out" of the New Settlement?**

If you do not wish to participate in the New Settlement ("opt out"), you must complete and send a timely written Request for Exclusion that is dated and sets forth your name and address and expressly states that you wish to be excluded from the Settlement Class. A Request for Exclusion must be signed, dated and mailed by First Class U.S. Mail, or the equivalent, postmarked no later than **June 6, 2023** to the following:

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c/o Epiq  
P.O. Box 6790  
Portland, OR 97228-6790

Settlement Class Members who fail to submit a valid and timely Request for Exclusion on or before the above-specified deadline will be bound by all terms of the New Settlement and any final judgment entered in the Action if the New Settlement is approved by the Court.

**13. If I exclude myself, can I get anything from the New Settlement?**

**No.** If you exclude yourself then you will not get anything from the New Settlement and you will not be bound by the New Settlement. You will not get a Settlement payment and will not be entitled to the temporary freeze on premium increases. If you are a Current Policyholder, you will retain all of the benefits of your CalPERS LTC Policy provided you continue to pay premiums to CalPERS. If you exclude yourself and wish to proceed with litigation against CalPERS, then you will need to retain your own attorney to pursue litigation against CalPERS.

**14. If I don't exclude myself from the New Settlement, can I sue later?**

**No.** Unless you exclude yourself from the New Settlement, you give up the right to sue the Defendant for the Claims in this lawsuit. You must exclude yourself from the Settlement Class to start or continue your own lawsuit with your own lawyer.

**15. If I Excluded myself from the Prior Settlement, does that mean that I am excluded from the New Settlement?**

**No.** Any decision you made with respect to the Prior Settlement does not affect the New Settlement. You must now decide what you wish to do with respect to the New Settlement.

**THE LAWYERS REPRESENTING YOU**

**16. Do I have a lawyer in this case?**

The Court has appointed the following lawyers to serve as Class Counsel for the Settlement Class:

Michael J. Bidart  
mbidart@shernoff.com  
SHERNOFF BIDART ECHEVERRIA LLP  
600 South Indian Hill Boulevard  
Claremont, California 91711

Gretchen M. Nelson, Esq.  
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NELSON & FRAENKEL LLP  
601 So. Figueroa, Ste. 2050  
Los Angeles, California 90017

Gregory L. Bentley  
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BENTLEY & MORE, LLP  
4931 Birch Street  
Newport Beach, California 92660

Stuart C. Talley  
stuart@ktblegal.com  
KERSHAW TALLEY BARLOW PC  
401 Watt Avenue  
Sacramento, CA 95864

**17. How will the costs of the lawsuit and the Settlement be paid?**

In addition to the refunds and other relief provided to Class Members, as part of the New Settlement, CalPERS has also agreed to separately pay no more than \$80 million which will be used to pay Class Counsel's Attorneys' Fees, unreimbursed litigation expenses incurred by Class Counsel that are no more than \$2.5 million, and Settlement Administration costs for both the Prior Settlement and this Settlement which are estimated to be \$5 million and Service Awards for the Plaintiffs.

A request will be made to the Court for approval of a total amount not to exceed \$85,000 for Service Awards, which will also be paid from the award of fees and costs. This payment is for the service Plaintiffs have provided to the Class in bringing this lawsuit and for taking on the risk of litigation, and for the extensive assistance they provided throughout the course of the Action.

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The Court may award less than the amount requested for Service Awards and it may award less in attorneys' fees and expenses.

Importantly, under no circumstances will the amounts awarded for attorneys' fees and costs or the Service Awards or Settlement Administration costs reduce the payments to be made to Settlement Class Members under the New Settlement.

## **OBJECTING TO THE NEW SETTLEMENT**

### **18. How do I object to the New Settlement?**

Any Settlement Class Member may object to the proposed New Settlement, or any portion thereof, by mailing a written objection, and supporting papers, to the Settlement Administrator at the following address by regular U.S. Mail postmarked no later than **June 6, 2023**.

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c/o Epiq  
P.O. Box 6790  
Portland, OR 97228-6790

A written objection must contain: (1) the case name and number for this Action, (2) the full name of the objecting Settlement Class Member, (3) the Settlement Class Member's LTC policy number, (4) the basis for the objection, (5) if the Settlement Class Member intends to appear at the Final Approval Hearing (see response to Questions 20 and 21 below), and (6) the identity of the Settlement Class Member's counsel, if any. If a Settlement Class Member wishes to appear at the Court's Final Approval Hearing and orally present his or her objection to the Court, the objector's written statement should include the objector's statement of intent to appear at the Court's Final Approval Hearing. **Notwithstanding, in the discretion of the Court, the objection of any Settlement Class Member, or person purporting to object on behalf of any Settlement Class Member, may be received or considered by the Court at the Final Approval Hearing, regardless of whether a written notice of objection is filed or delivered to the Parties.** Any Settlement Class Member who submits an objection remains eligible to receive monetary compensation from the New Settlement. If you timely submit a request for exclusion from the New Settlement you may not submit an objection to the New Settlement. If the Court overrules any objections and grants final approval of the New Settlement, any Settlement Class Member who submitted an objection but did not submit a timely and valid Request for Exclusion will be bound by the Release set forth in Question 8 above.

### **19. What's the difference between objecting and asking to be excluded?**

Objecting is simply telling the Court you do not like something about the New Settlement. If you object, you are still a part of the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class.

## **THE COURT'S FINAL APPROVAL HEARING**

The Court will hold a hearing to decide whether to approve the New Settlement. You may attend and you may ask to speak at the Final Approval Hearing, but you don't have to. **If you intend to appear at the Final Approval Hearing it is important to visit the Los Angeles County Superior Court website at [www.lacourt.org](http://www.lacourt.org) to determine whether there are any social distancing or Covid-19 related guidelines for in-person court appearances.**

### **20. When and where will the Court decide whether to approve the New Settlement?**

The Court will hold a "Final Approval Hearing" on July 26, 2023 at 11:00 a.m., in **Department 10** at the Superior Court of California for the County of Los Angeles, located at **312 N. Spring St., Los Angeles, 90012**. The hearing may be moved to a different date and/or time without additional notice but any change of date or time will be posted on the Settlement website at [www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com). At this hearing, the Court will consider whether the New Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay Class Counsel for their fees and costs, and the amount in Service Awards for Plaintiffs. After the hearing, the Court will decide whether to approve the New Settlement. It is unknown how long these decisions will take.

## **21. Do I have to come to the hearing?**

No. Class Counsel will answer any questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you have mailed your written objection on time, the Court will consider it. You may also pay (at your own expense) another lawyer to attend for you, but it is not required.

## **22. May I speak at the hearing?**

If you wish to appear at the Final Approval Hearing and orally present your objection to the Court, you should include in your written objection that you intend to appear at the Final Approval Hearing. Notwithstanding, in the discretion of the Court, the objection of any Settlement Class Member who has not requested exclusion, or person purporting to object on behalf of any Settlement Class Member, may be received or considered by the Court at the Final Approval Hearing, regardless of whether a written notice of objection is mailed to the Settlement Administrator.

### **IF YOU DO NOTHING**

## **23. What happens if I do nothing at all?**

If you do nothing and you are in Categories A, B, C, F, G, H, or I, you will receive the benefits provided for in the New Settlement in accordance with your Final Settlement Category as described above, and you will be bound by the release of Claims, subject to the Court's final approval of the terms of the New Settlement. If you are in Categories A, B, C, or I and do nothing, it will be presumed that you have selected Option 2 (keeping your LTC policy and receiving the \$1,000 payment) for each of those Categories. If you are in Category D or E, you must return your Lapse Claim Form to receive any benefits of the New Settlement.

### **GETTING MORE INFORMATION**

## **24. How do I get more information?**

This notice summarizes the New Settlement. More details are in the Second Settlement Agreement and filings made before the Court. Such documents are accessible via a website at: [www.CalPERSLTCCClassAction.com](http://www.CalPERSLTCCClassAction.com). You may also contact Class Counsel or the Settlement Administrator for more information.

**Do not contact the Court, CalPERS or LTC regarding this Notice or the New Settlement.**