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**FILED**  
Superior Court of California  
County of Los Angeles  
03/10/2023

David W. Slayton, Executive Officer / Clerk of Court

By:                     R. Aspiras                     Deputy

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
13 COUNTY OF LOS ANGELES

14 HOLLY WEDDING, et al.,  
15  
16 Plaintiffs,  
17  
18 vs.

19 CALIFORNIA PUBLIC EMPLOYEES'  
20 RETIREMENT SYSTEM, et al.,  
21  
22 Defendants.

JUDICIAL COUNCIL COORDINATION  
PROCEEDING NO. 4936

CASE NO. BC517444

CLASS ACTION

ASSIGNED FOR ALL PURPOSES TO THE  
HONORABLE WILLIAM F.  
HIGHBERGER—DEPT. SS10

**~~REVISED [PROPOSED]~~ ORDER  
GRANTING PRELIMINARY APPROVAL  
OF SECOND CLASS ACTION  
SETTLEMENT**

**Date: March 10, 2023**

**Time: 1:30 p.m.**

**Department 10 – Spring Street Courthouse**

TRIAL DATE:

COMPLAINT FILED: AUGUST 6, 2013

**TO ALL PARTIES AND THEIR RESPECTIVE COUNSEL OF RECORD:**

1 The Motion for Preliminary Approval of Second Class Action Settlement (“Second  
2 Settlement”) came before this Court, the Honorable William F. Highberger, presiding, on March  
3 10, 2023. The Court having considered the papers submitted in support of the Motion, HEREBY  
4 ORDERS THE FOLLOWING:

5 1. The Court grants preliminary approval of the Second Settlement based upon the  
6 terms set forth in the Second Class Action Settlement Agreement and Release (“Second  
7 Settlement Agreement”) filed herewith on February 27, 2023. Capitalized terms not otherwise  
8 defined in this Order shall have the definitions set forth in the Second Settlement Agreement.<sup>1</sup>

9 2. The Court finds, for purposes of settlement only, that the requirements for  
10 provisional certification of the Settlement Class under the California Code of Civil Procedure and  
11 all other applicable laws and rules are met by the Settlement Class as follows: (a) joinder of all  
12 Settlement Class Members in a single proceeding would be impracticable, if not impossible,  
13 because of their numbers and dispersion; (b) there are questions of law and fact common to the  
14 Settlement Class; (c) claims asserted by the Plaintiffs are typical of the claims of the Settlement  
15 Class that they seek to represent for purposes of settlement; (d) Plaintiffs have fairly and  
16 adequately represented the interests of the Settlement Class and will continue to do so;  
17 (e) Plaintiffs and the Settlement Class are represented by qualified, reputable counsel who are  
18 experienced in prosecuting class actions, including those involving the practices alleged in the  
19 this action; and (f) final relief is appropriate to the Settlement Class as a whole.

20 3. The following Settlement Class is conditionally certified for purposes of  
21 settlement only: Any individual who was a California citizen in February 2013, and who  
22 purchased LTC1 and/or LTC2 policies from California Public Employees’ Retirement System  
23 (“CalPERS”) that included the automatic inflation protection benefit and were subjected to the  
24 Challenged Increase. Policyholders who converted their policies to LTC3 policies prior to the  
25 implementation of the Challenged Increase are not included in the Settlement Class, even if the  
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27 <sup>1</sup> In documents distributed to the Settlement Class, the Second Settlement is referred to as the  
“New Settlement” or “Second Settlement.”

1 conversion occurred after the Challenged Increase was approved in October 2012. The  
2 Settlement Class does not include those individuals who opted out of the Class certified by the  
3 Court on January 28, 2016.

4 4. The Second Settlement appears to be fair, adequate and reasonable to the  
5 Settlement Class. The Second Settlement falls within the range of reasonableness and appears to  
6 be presumptively valid, subject only to any objections that may be raised at the Fairness Hearing.

7 5. Plaintiffs Holly Wedding, Richard Lodyga and Eileen Lodyga are conditionally  
8 approved as the class representatives for the Settlement Class.

9 6. The proposed Plaintiffs' Service Award of \$85,000 in total for all Plaintiffs for  
10 their service as Class Representatives is conditionally approved.

11 7. Michael Bidart and Reid Ehrlich of Shernoff, Bidart & Echeverria LLP; Stuart  
12 Talley of Kershaw Talley Barlow PC; Gretchen M. Nelson of Nelson & Fraenkel LLP; and  
13 Gregory Bentley of Bentley & More LLP, are conditionally approved as Class Counsel for the  
14 Settlement Class.

15 8. The proposed award of up to \$80 million of the Total Settlement Amount in Class  
16 Counsels' Fees and Expenses is conditionally approved, (out of which all administration expenses  
17 in connection with the Second Settlement and all expenses in connection with the administration  
18 of the Prior Settlement (except \$900,000 paid by CalPERS), Service Awards to Plaintiffs and up  
19 to \$2,500,000 in costs to Class Counsel shall be paid).

20 9. A final approval hearing on the question of whether the Second Settlement should  
21 be finally approved as fair, reasonable and adequate as to Settlement Class Members, and whether  
22 the Court shall award attorneys' fees and expenses to Class Counsel, and the Plaintiffs' Service  
23 Awards is scheduled in Department 10 on the date and time set forth in Paragraph 15(i) below.

24 10. The Court confirms Epiq as the Settlement Administrator.

25 11. The Court approves, as to form and content, the Class Notice in substantially the  
26 forms attached hereto as:

- 27 • Exhibit 1 (the Long Form Notice);
- Exhibit 2 (Cover Letter to all Settlement Class Members);

- Exhibit 3 (the Category A Letter and Individual Award Form);
- Exhibit 4 (the Category B and C Letter and Individual Award Form);
- Exhibit 5 (the Category D Letter and Lapse Claim Form);
- Exhibit 6 (the Category E Letter and Lapse Claim Form);
- Exhibit 7 (the Category F Letter and Estate Award Form)
- Exhibit 8 (the Category G Letter and Estate Award Form);
- Exhibit 9 (the Category H Letter)
- Exhibit 10 (Late Election Letter and Form).

The Court approves the procedure for Settlement Class Members to participate in, to opt out of, and to object to, the Second Settlement as set forth in the Class Notice.

12. The Court directs the mailing of the Class Notice by first class mail and by electronic mail to Settlement Class Members in accordance with the implementation schedule set forth in Paragraph 15 below. The Court finds the dates selected for the mailing and distribution of the Class Notice, as set forth in the implementation schedule, meet the requirements of due process and provide the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons entitled thereto.

13. The Court directs the Settlement Administrator to circulate to the Parties any Requests for Exclusion and any Objections to the Second Settlement that are received by the Settlement Administrator within five (5) business days of receipt of the Request for Exclusion or Objection. In addition, the Court directs the Settlement Administrator to provide the Parties with the Final Settlement List of all Settlement Class Members who have timely submitted a Request for Exclusion no later than 14 days after the Response Deadline.

14. To facilitate administration of the Second Settlement pending final approval, the Court hereby enjoins Plaintiffs and all Settlement Class Members from filing or prosecuting any claims, suits or administrative proceedings regarding claims released by the Second Settlement unless and until such Settlement Class Members have filed valid Requests for Exclusion with the Settlement Administrator and the Response Deadline has elapsed. This provision shall not apply to claims not alleged in the Action.

15. The Court orders the following **Implementation Schedule** for further proceedings:

a.	Deadline for Defendant to submit the Notice List to Class Counsel and Settlement Administrator (Second Settlement Agreement, Section 5.1)	March 8, 2023
b.	Notice Date: Deadline for Settlement Administrator to Mail and Email the Class Notice to Settlement Class Members (Second Settlement Agreement, Section 5.3)	April 7, 2023
c.	Response Deadline: Deadline for Settlement Class Members to (i) Submit Requests for Exclusion; (ii) Complete their Election Form if they are in Categories A, B or C and the Lapse Form if they are in Category D or E; and (iii) Submit any Written Objections to Settlement. (Second Settlement Agreement, Section 1.43 and 6.1)	June 6, 2023 [60 days after the Notice Date]
d.	Deadline for the Settlement Administrator to Submit to the Parties and File with the Court a Final Settlement List Identifying all Individuals Who have Submitted a Request for Exclusion (Second Settlement Agreement, Section 5.12)	June 20, 2023 [14 days after the Response Deadline]

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e.	Deadline for CalPERS to Advise Class Counsel of Confirmation or Termination of Settlement (Second Settlement Agreement, Section 18.1)	June 30, 2023 [10 days after receipt of Final Settlement List from Settlement Administrator (but in no event more than 60 days after the Response Deadline)]
f.	Deadline for Class Counsel to file Motion for Final Approval of Settlement (Including Responses to Any Objections) (Second Settlement Agreement, Section 3.3)	<del>RECEIVED</del> [16 court days prior to Fairness Hearing]
g.	Deadline for Class Counsel to file Motion for Attorneys' Fees, Costs and Plaintiffs' Service Award (Second Settlement Agreement, Section 3.3)	<del>RECEIVED</del> [16 court days prior to Fairness Hearing]
h.	Deadline for Settlement Administrator to file a report with the Court identifying all actions taken with respect to Class Notice, identifying all Settlement Class Members who have timely file a Request for Exclusion, and submitting all objections to the Second Settlement (Second Settlement Agreement, Section 5.12)	<del>RECEIVED</del> [16 court days prior to Fairness Hearing]
i.	Fairness Hearing: Final Approval Hearing and Hearing on Motion for Class Counsels' Fees and Expenses and Plaintiffs' Service Awards (Second Settlement Agreement, Section 1.16)	July <del>6</del> <sup>5</sup> , 2023 <del>at 10:00 AM</del> <del>at 10:00 AM</del> <del>at 10:00 AM</del>

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j.	Final Settlement Date (Second Settlement Agreement, Section 1.20)	[Date By Which All Appeals are Final or 60 days after service of Notice of Entry of Order and Judgment if no appeal is filed]
k.	Deadline for Settlement Administrator to send a letter to all Participating Settlement Class Members who have elected a premium refund re: Final Settlement Date and that they should no longer make premium payments to CalPERS (Second Settlement Agreement, Section 2.6)	[5 days after the Final Settlement Date]
l.	Deadline for CalPERS to Submit to the Settlement Administrator a Late Election List of 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 (Second Settlement Agreement, Section 5.6)	15 days after Final Settlement Date]
m.	Deadline for Settlement Administrator to mail to Participating Settlement Class Members on the Late Election List a Late Election Form (Second Settlement Agreement, Section 5.6)	[30 days after Final Settlement Date]

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n.	Deadline for Participating Settlement Class Members to submit the Late Election Form (Second Settlement Agreement, Section 5.6)	30 days after Settlement Administrator mails the Late Election Form]
o.	Deadline for Settlement Administrator to provide list to CalPERS identifying all election choices of Participating Settlement Class Members on the Late Election List (Second Settlement Agreement, Section 5.6)	[15 days after the expiration of the deadline for Participating Settlement Class Members to complete their Late Election Forms]
p.	Deadline for CalPERS to advise Settlement Administrator and Class Counsel of the Final Settlement Categories and Award Amounts (Second Settlement Agreement, Section 2.3)	[45 days after Final Settlement Date]
q.	Deadline for CalPERS to fund the Second Settlement for all policyholders who are <b>not</b> in Category I or eligible to reverse their elections under Section 5.6 (Second Settlement Agreement, Section 2.1)	[75 days after Final Settlement Date]
r.	Deadline for CalPERS to fund the Second Settlement for policyholders in Category I and eligible to reverse their elections under Section 5.7 (Second Settlement Agreement, Section 2.1)	[30 days after the Settlement Administrator provides CalPERS with list of identifying all election choices of Participating Settlement Class Members on the Late Election List



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s.	Deadline for Settlement Administrator to Mail Checks to Participating Settlement Class Members (Second Settlement Agreement, Section 2.5)	[30 days after receipt of Settlement Fund from CalPERS or 105 days after the Final Settlement Date ]
t.	Deadline for Settlement Administrator to Mail Checks to Participating Settlement Class Members in Category I and eligible to reverse their elections uner Section 5.7 (Second Settlement Agreement, Sections 2.1 and 2.5)	[30 days after CalPERS funds the Second Settlement for policyholders in Category I and eligible to reverse their elections under Section 5.7
u.	Deadline for Participating Settlement Class Members to submit any dispute as to Final Settlement Category or Final Settlement Award (Second Settlement Agreement, Section	[30 days after Settlement Administrator Mails Settlement checks]
v.	Deadline for Settlement Administrator to Resolve any Disputes Submitted by Participating Settlement Class Members (Second Settlement Agreement, Section 2.4)	[30 days after the deadline for all disputes to be submitted]
w.	Deadline for CalPERS to fund any additional monies owed to Participating Settlement Class Members resulting from the Settlement Administrator’s resolution of any disputes. (Second Settlement Agreement, Section 2.4)	[14 days after Settlement Administrator resolves any disputes in the Participating Class Members favor]

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x.	Deadline for Settlement Administrator to mail check to the Participating Settlement Class Members whose dispute was resolved in the Participating Settlement Class Members favor (Second Settlement Agreement, Section 2.4)	[15 days after CalPERS funds the monies owed as a result of the resolution of the dispute]
y.	Deadline for Class Counsel to Submit Final Report on Settlement that identifies all funds paid out, identifies all checks that remain uncashed, and identifies any residual funds remaining in the Settlement Fund (Second Settlement Agreement, Section 2.8)	[365 days after Final Settlement Date]

**IT IS SO ORDERED**

Dated:     HBE    , 2023



HON. WILLIAM F. HIGHBERGER  
Judge of the Superior Court

# EXHIBIT A-1

1  
2 **NOTICE OF PROPOSED SECOND CLASS ACTION SETTLEMENT**

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

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

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

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

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

- 19
- 20 • In July 2021, the parties in this case entered into a prior settlement agreement (the  
21 “Prior Settlement”) and you received a notice that was sent to all Settlement Class  
22 Members. Unfortunately, because too many Class Members elected to opt out  
23 and keep their CalPERS policies, the Prior Settlement was terminated on April  
24 20, 2022.
  - 25 • However, a **new** proposed class action settlement (the “New Settlement” or  
26 “Second Settlement”) has been reached between plaintiffs and class  
27 representatives Holly Wedding, Richard Lodyga and Eileen Lodyga  
28 (“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.

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- 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 \_\_\_\_\_, visit the Settlement Website at [www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com) or email the Settlement Administrator at \_\_\_\_\_
- 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 date is explained in response to Question 7 below:

<b>FINAL SETTLEMENT CATEGORY</b>	<b>POTENTIAL AWARDS TO PARTICIPATING SETTLEMENT CLASS MEMBERS</b>
<b>CATEGORY A.</b> Participating Settlement Class Members who are Current Policyholders and who are not on claim on the Final Settlement Date	Participating Settlement Class Members who, on the Final Settlement Date, are Current Policyholders and who are not On Claim shall have the following options:  <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

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	<p>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 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</p>

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	<p>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 receive 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</p>

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	<p>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 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</p>



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	Additional Premiums paid or, \$2,000, whichever is greater.
<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 Challenge Increase.	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.
<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	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.
<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.	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:  Option 1: 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

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	<p>Settlement Class Members who select Option 1 shall Surrender their CalPERS LTC Policy upon payment of this refund.</p> <p>Option 2: 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>
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**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.**

**IF YOU ARE IN “SETTLEMENT CATEGORY A” YOU MUST CONTINUE TO MAKE YOUR PREMIUM PAYMENTS TO CALPERS UNTIL THE NEW SETTLEMENT BECOMES FINAL TO OBTAIN THE PREMIUM REFUND AVAILABLE UNDER THE NEW SETTLEMENT.**

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

<p><b>IF YOU ARE IN “CATEGORY A, B or C,” <u>PLEASE GO ONLINE AND COMPLETE THE ELECTION FORM</u></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</p>
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<p><b>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>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>OR, 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 <u>MUST</u> <u>SUBMIT A LAPSE CLAIM FORM ONLINE</u></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>[60 days from mailing]</b>. If you do not complete a Lapse Claim Form electronically, you will not receive any benefits from the New Settlement.</p>
<p><b>FOR SETTLEMENT CLASS</b></p>	<p>If you submit a Request for Exclusion, which must be postmarked by <b>[+60 from mailing]</b>, you will <u>NOT</u> receive any settlement payment and will not release any claims you may</p>

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<b>MEMBERS IN ALL CATEGORIES, YOU CAN EXCLUDE YOURSELF FROM THE NEW SETTLEMENT</b>	have against CalPERS. You will then need to retain your own attorney if you wish to pursue those claims.
<b>FOR SETTLEMENT CLASS MEMBERS IN ALL CATEGORIES, YOU CAN OBJECT</b>	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>[+60 from mailing]</b> . You may not request exclusion and also object to the New Settlement.

- **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 PREMIUM FREEZE.**
- **Additional information regarding the New Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this Notice.**

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**DEADLINES**

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

Go Online at \_\_\_\_\_ and electronically sign and submit the Election Form \_\_\_\_\_(60 days)\_\_\_\_\_

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

Go Online at \_\_\_\_\_ and electronically sign and submit the Lapse Form \_\_\_\_\_(60 days)\_\_\_\_\_

**All Class Members:**

Exclude yourself from the Settlement (postmarked) \_\_\_\_\_(60 days)\_\_\_\_\_

File an Objection to the Settlement (postmarked) \_\_\_\_\_(60 days)\_\_\_\_\_

**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

1  
2 to impose this 85% rate increase. CalPERS denies that it did anything improper  
3 and denies that anything it may have done caused injuries to the Class.

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

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

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

13 “Settlement Class Members” or the “Settlement Class” means all persons who meet  
14 all of the following three criteria: (1) were citizens of California in February 2013;  
15 (2) purchased an LTC Policy from CalPERS during the period 1995 to 2004 that  
16 included automatic inflation protection benefits; and (3) were subjected to the 85%  
17 premium increase announced by CalPERS in 2013 and implemented in 2015 and  
18 2016. Policyholders who converted their policies to LTC3 policies prior to the  
19 implementation of the Challenged Increase are not included in the Settlement Class,  
20 even if the conversion occurred after the 85% rate increase was approved by the  
21 CalPERS Board in October 2012. The Settlement Class does not include those  
22 individuals who opted out of the Class certified by the Court on January 28, 2016.  
23 To be clear, if you opted out of the Prior Settlement in 2021, that opt out is no  
24 longer operative, and you are still a Settlement Class Member in the New  
25 Settlement, unless you choose to opt out again by submitting a valid request for  
26 exclusion.

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

28 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.

### 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

1  
2 at the same time preparing to bring this case to trial. Class Counsel requested a  
3 trial date on the earliest possible date that could be scheduled. The Court set the  
4 trial for May 15, 2023.

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

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

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

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

#### 19 **7. What does the New Settlement provide?**

20 Under the terms of the New Settlement, Defendant will pay into a Qualified  
21 Settlement Fund (“QSF”), maintained by the Settlement Administrator, an amount  
22 that is equal to benefits payable to all Settlement Class Members who are eligible  
23 to receive 80% refunds or other cash payments based on the categories described  
24 in Section \_\_ above. If there are no requests for exclusion from the Settlement Class  
25 and the Settlement Class Members make the same decisions that they made as to  
26 the Prior Settlement, the total amount to be paid by CalPERS to Class Members is  
27 estimated by Plaintiffs’ experts to be \$740 million. CalPERS will also pay up to  
28 \$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

1  
2 status does change, your final award will be based on your Final Settlement  
3 Category on the Final Settlement Date.

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

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

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

24 Following distribution of the individual settlement payments, any uncashed checks  
25 issued to Settlement Class Members will be sent to the California State Controller's  
26 Unclaimed Money Fund and will include information required by the State  
27 Controller to identify the beneficiary of the funds. Any other funds remaining in  
28 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 term 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



1  
2 description, whether known or unknown, arising from or related to the 85%  
3 premium increase announced in 2013, including, without limitation, statutory,  
4 constitutional, contractual, and/or common law claims.

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

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

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

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

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**HOW TO GET A SETTLEMENT PAYMENT**

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**10. How do I get a settlement payment?**

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

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

401 Checks will be mailed to eligible Settlement Class Members only after the Court  
402 grants "final approval" of the New Settlement and the New Settlement becomes  
403 final and effective. If the Court approves the New Settlement after a hearing on  
404 [final approval hearing date] (see "The Court's Final Approval Hearing" below),  
405 there may be appeals. If there are any appeals, resolving them could take some  
406 time, so please be patient. If there is an appeal, the settlement website will be  
407 updated. If there is no appeal, then the New Settlement will become final and

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2 effective 60 days after final approval. Plaintiffs' counsel estimates that checks will  
3 be mailed to eligible class members within 105 days after the New Settlement  
4 becomes final and effective.

5 Please also be advised that you will only have 90 days from the date that the checks  
6 are issued to cash the check. If you do not cash your check within 90 days of the  
7 date of its issuance, your individual settlement check will be voided. You will be  
8 permitted to request the reissuance of the check from the Settlement Administrator  
9 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.

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

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

12 If you do not wish to participate in the New Settlement ("opt out"), you must  
13 complete and send a timely written Request for Exclusion that is dated and sets  
14 forth your name and address and expressly states that you wish to be excluded from  
15 the Settlement Class. A Request for Exclusion must be signed, dated and mailed  
16 by First Class U.S. Mail, or the equivalent, postmarked no later than [+60 from date  
of mailing] to the following:

17 [settlement administrator info]

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

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

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

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**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.  
gnelson@nflawfirm.com  
NELSON & FRAENKEL  
LLP  
601 So. Figueroa, Ste. 2050  
Los Angeles, California  
90017

Gregory L. Bentley  
gbentley@bentleymore.com  
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

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**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.

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 addresses by regular U.S. Mail postmarked no later than [+60 days from mailing],:

[settlement administrator  
info]

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

1  
2 Questions 20 and 21 below), and (6) the identity of the Settlement Class Member’s  
3 counsel, if any. If a Settlement Class Member wishes to appear at the Court’s Final  
4 Approval Hearing and orally present his or her objection to the Court, the objector’s  
5 written statement should include the objector’s statement of intent to appear at the  
6 Court’s Final Approval Hearing. **Notwithstanding, in the discretion of the Court,**  
7 **the objection of any Settlement Class Member, or person purporting to object**  
8 **on behalf of any Settlement Class Member, may be received or considered by**  
9 **the Court at the Final Approval Hearing, regardless of whether a written**  
10 **notice of objection is filed or delivered to the parties.** Any Settlement Class  
11 Member who submits an objection remains eligible to receive monetary  
12 compensation from the New Settlement. If you timely submit a request for  
13 exclusion from the New Settlement you may not submit an objection to the New  
14 Settlement. If the Court overrules any objections and grants final approval of the  
15 New Settlement, any Settlement Class Member who submitted an objection but did  
16 not submit a timely and valid Request for Exclusion will be bound by the Release  
17 set forth in Question 8 above.

18  
19 **19. What’s the difference between objecting and asking to be**  
20 **excluded?**

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

24  
25 **THE COURT’S FINAL APPROVAL HEARING**

26 The Court will hold a hearing to decide whether to approve the New Settlement. You  
27 may attend and you may ask to speak at the Final Approval Hearing, but you don’t  
28 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.**

29  
30 **20. When and where will the Court decide whether to approve the New**  
31 **Settlement?**

32 The Court will hold a “Final Approval Hearing” on [final approval hearing date  
33 and time], in **Department 10** at the Superior Court of California for the County of  
34 Los Angeles, located at **312 N. Spring St., Los Angeles, 90012**. The hearing may  
35 be moved to a different date and/or time without additional notice but any change  
36 of date or time will be posted on the Settlement website at

1  
2 [www.CalPERSLTCCClassAction.com](http://www.CalPERSLTCCClassAction.com). At this hearing, the Court will consider  
3 whether the New Settlement is fair, reasonable, and adequate. If there are  
4 objections, the Court will consider them. The Court will also decide how much to  
5 pay Class Counsel for their fees and costs, and the amount in Service Awards for  
6 Plaintiffs. After the hearing, the Court will decide whether to approve the New  
7 Settlement. It is unknown how long these decisions will take.

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

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

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

21 If you wish to appear at the Final Approval Hearing and orally present your  
22 objection to the Court, you should include in your written objection that you intend  
23 to appear at the Final Approval Hearing. Notwithstanding, in the discretion of the  
24 Court, the objection of any Settlement Class Member who has not requested  
25 exclusion, or person purporting to object on behalf of any Settlement Class  
26 Member, may be received or considered by the Court at the Final Approval  
27 Hearing, regardless of whether a written notice of objection is mailed to the  
28 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**

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**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.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com). You may also contact Class Counsel or the Settlement Administrator for more information.

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

# EXHIBIT A-2





**CalPERS Long-Term Care Class Action**

**Letter From Plaintiffs and Class Counsel**

**Regarding New Settlement**

Legal Name: \_\_\_\_\_

CalPERS Policy Number: \_\_\_\_\_

Current Address: \_\_\_\_\_

Unique ID: \_\_\_\_\_

PIN: \_\_\_\_\_

Dear \_\_\_\_\_

This letter is to inform you of a Proposed New Settlement in the matter of *Wedding, et al. v. California Public Employees’ Retirement System, et al.*

**A. Overview**

This class-action lawsuit was filed in August 2013. It alleges that the 85% premium increase that CalPERS announced in February 2013, and implemented in 2015-2016, was not permitted under the terms of the Long-Term Care (“LTC”) Insurance contracts between CalPERS and Class Members. You are a member of the Class in this case because you purchased an LTC Insurance contract from CalPERS with “automatic inflation protection benefits” and were subjected to this 85% rate increase.

As you may recall, in July 2021 you received notice of a settlement that had previously been reached by the parties in this case (the “Prior Settlement”). Unfortunately, the Prior Settlement never became effective and was terminated by agreement in April 2022.

Nevertheless, the parties continued to explore settlement options and on February 27, 2023, the parties reached agreement on a new settlement (the “New Settlement”). The following documents containing details about the New Settlement are enclosed with this letter:

- Notice of Class Action Settlement [email notice to provide link to this document on Settlement website]
- Individual Award Letter [email notice to provide CM with unique ID and PIN to access form on website]

**Importantly, this is a new settlement with new terms and relief for the Settlement Class.** The New Settlement will affect your rights unless you ask to be excluded from the Settlement. Also, there are strict time limits described in the Notice and the accompanying materials.

**Therefore, please read the enclosed documents carefully and immediately.** These documents will set forth how much you will receive under the New Settlement and will explain why the Plaintiffs and Class Counsel are recommending the New Settlement.

#### **B. What Happened to the Prior Settlement?**

The parties in this case previously agreed to a settlement in July 2021. Under this Prior Settlement, Class Members who elected to participate in the settlement could receive a full premium refund in exchange for surrendering their policy, or have their refund applied to a potential replacement policy. Two highly experienced insurance brokerages were tasked with securing this replacement policy.

However, if Class Members wanted to retain their CalPERS LTC policies, they had to opt out of the Prior Settlement and were not entitled to receive any benefits from the Prior Settlement. The Prior Settlement contained a provision that allowed the settlement to be terminated if more than 10% of the Class elected to exclude themselves and retain their CalPERS LTC policies.

After approaching 90 insurance companies, the insurance brokerages working with Class Counsel were not able to secure a viable replacement policy. And, after notifying the Settlement Class Members who had chosen this option that a replacement policy could not be secured, approximately 30% of the Settlement Class elected to exclude themselves from the settlement in order to retain their CalPERS LTC policies. Because so many class members elected to keep their CalPERS policies, the Prior Settlement was terminated by mutual agreement on April 20, 2022.

#### **C. What are the Terms of the New Settlement?**

After the Prior Settlement was terminated, the parties worked diligently to reach a settlement that would (1) provide substantial refunds to Class Members who want to exit the CalPERS LTC Program; (2) provide benefits to Class Members who want to keep their CalPERS LTC policies, instead of requiring them to opt out of the settlement; and (3) achieve these objectives while preserving the CalPERS LTC Program's ability to meet its financial obligations to pay benefits to its policyholders.

Consistent with these goals, the terms of the New Settlement incorporate many of the terms of the Prior Settlement, but are different in three important ways.

**First**, Class Members do **not** need to opt out of the New Settlement if they want to retain their CalPERS LTC policies. If you are a current policyholder and want to keep your CalPERS LTC policy, you will be included in the New Settlement and will automatically receive \$1,000. In addition, CalPERS has agreed under the New Settlement not to impose any new premium increases on Settlement Class Members prior to November 1, 2024.

**Second**, if you are a current policyholder and want to receive a premium refund in exchange for surrendering your policy, the refund will be 80% of all the premiums you have paid into the CalPERS LTC Program (less benefits received) from the inception of your policy until the New Settlement becomes final.

**Third**, for Class Members who are "on claim" (meaning they are currently receiving benefits or have applied for and may receive benefits under their policy prior to the New Settlement becoming final), they will also have the

## Letter from Class Counsel and Plaintiffs

option of cancelling their policy and receiving an 80% premium refund (less benefits received) or keeping their policy in exchange for a cash payment of \$1,000. Class Members who let their policies lapse, exhausted their benefits, or who passed away before going on claim will receive certain cash benefits which are outlined in the Notice at page     .

As with the Prior Settlement, current policyholders paying premiums **must** continue to pay their premiums until the New Settlement becomes final to remain eligible for the 80 percent refund of premiums or \$1,000 cash payment. If a policyholder stops paying their premiums before the New Settlement becomes final, then they will not obtain the same benefits of the New Settlement.

### **D. What Will I Receive Under the New Settlement?**

Your Class Member category and details about your estimated award under the New Settlement are set forth in the enclosed Award Letter. Class Members fall into two main categories: (1) current policyholders who are paying premiums; and (2) those who are on claim. Other categories include policyholders who let their policies lapse, policyholders who have exhausted their benefits, and those who have died.

The information in the Award Letter was based on your policyholder status as of December 31, 2022. But your final Class Member category and the award you receive will be determined at the time the New Settlement becomes final. If your Class Member category does not change between December 31, 2022, and the date the New Settlement becomes final, then you will receive the relief identified in the Award Letter (except that the amount for those requesting a premium refund may be higher because you will have paid additional premiums after December 31, 2022). Please read this form and the enclosed Notice carefully.

### **E. Why is Class Counsel Recommending the New Settlement?**

There are several reasons why Class Counsel is recommending this New Settlement, even though many Class Members will receive less as compared to the Prior Settlement.

**First**, the CalPERS LTC Program was set up as a “closed fund.” This means that there are only two sources of revenue for the Program: the premiums paid by policyholders and the earnings generated from investments made by the Program. One of the main concerns in moving forward with a trial is that if Class Counsel succeeds and obtains a large verdict and judgment against CalPERS, this could significantly impact the ability of the Program to pay the benefits of Class Members who retain their policies and other current policyholders. The New Settlement is therefore designed both to provide benefits to Class Members while at the same time ensuring the long-term viability of the Program to pay ongoing and future claims costs.

**Second**, the termination of the Prior Settlement demonstrated that many Class Members want to keep their CalPERS LTC policies. The New Settlement therefore allows Class Members to receive some relief without forcing them to surrender their policies. Individuals desiring to stay with the Program will receive two significant benefits—a cash payment to offset higher premium costs *and* a rate freeze that ensures CalPERS will not implement any new premium increases until at least November 1, 2024.

**Third**, the ability to cancel your CalPERS policy and receive an 80% refund of all premiums paid (less benefits received) for insurance coverage that many Class Members have had for more than 20 years is a substantial benefit that would not otherwise be available. Many Class Members have informed us they are tired of rate increases or benefit reductions and have lost faith in CalPERS’ ability to properly manage this Program. However, because these Class Members have invested many thousands of dollars in premiums, they feel compelled to continue with the Program. This New Settlement provides those Class Members with a feasible path out of the Program. Without the New Settlement, Class Members who want to leave the Program would not receive a refund of any premiums.

## Letter from Class Counsel and Plaintiffs

Indeed, the 80% premium refund (less benefits received) provided by the New Settlement is better than options provided to policyholders by other commercial carriers who provide LTC Insurance and have instituted premium increases. As you may know, the problems that have plagued the CalPERS LTC Program over the years are not unique. Since LTC Insurance became popular 25 years ago, almost every commercial LTC Insurance provider in the country has either withdrawn from the market entirely and/or had to impose premium increases. Class Counsel is aware of another LTC insurer that—as recently as last year—was implementing an 80% rate increase but was offering policyholders a “Cash Buyout” option that would only refund roughly 20% of premiums paid.

We are frustrated that the premium refund is 80%, instead of the 100% agreed to by CalPERS in the Prior Settlement. However, that reduction is a result of changes in the LTC Fund’s financial condition coupled with CalPERS’ need to ensure that it can meet its ongoing obligations to those who retain their LTC policies. We are equally frustrated with the amount to be paid to those who retain their policies. But this amount is all that CalPERS believes it can afford. If CalPERS were paying more in premium refunds and payments to those retaining their policies, then that could jeopardize its ability to continue paying benefits to its policyholders.

**Fourth**, time is of the essence in getting relief to Class Members. If this litigation continues, Class Counsel has serious concerns that *thousands* of additional Class Members will pass away and will not personally realize any of the benefits from any potential future verdict and judgment. The average age of the Class is now 76, and since this litigation was initiated nearly a decade ago more than 14,846 Class Members have died. Moreover, even if the Class prevails at trial, CalPERS will undoubtedly appeal. This process could take another 2-4 years and, plaintiffs’ actuaries estimate that an additional 9,000 Class Members will die during this time.

**Finally**, as with any litigation, there is always a chance that the Class could lose at trial (or on appeal). In this lawsuit, Plaintiffs and the Class assert that CalPERS could not implement a premium increase if the increase was caused by or as a result of Class Member’s “automatic inflation protection benefits.” However, CalPERS and its experts intend to present evidence at trial that the 85% rate increase was *not* related to automatic inflation protection benefits, and that the *primary* reason for the 85% premium increase was a change in CalPERS’ expected investment earnings. CalPERS will also argue that a rate increase of 80.1% would have been necessary if it had not implemented the challenged 85% rate increase; that Class Members who reduced their benefits in response to the 85% increase did not suffer any damage because, among other things, they paid lower premiums; and that Class Members who reduced benefits are not entitled to any recovery until they go on claim and are denied benefits that they would have otherwise received prior to reducing benefits. If a jury (or appellate court) accepted any of these arguments, then Class Members would receive nothing or virtually nothing.

### **F. Where can I obtain additional information about the New Settlement?**

If you have questions about the New Settlement that are not answered in the [\[linked\]/enclosed](#) documents, you will find additional information on the Settlement website at [www.CalpersLTCClassAction.com](http://www.CalpersLTCClassAction.com). If your questions are still not answered, you can call [1-866-217-8056](tel:1-866-217-8056) anytime from Monday through Friday between the hours of 6:00 a.m. to 6:00 p.m. Pacific Time.

**Please do not contact CalPERS or LTCG about the Settlement, as they will be unable to provide you with additional information.**

Letter from Class Counsel and Plaintiffs

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Michael Bidart

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Stuart Talley

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Gretchen Nelson

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Gregory L. Bentley

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Eileen Lodyga

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Richard Lodyga

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Holly Wedding

# EXHIBIT A-3

**CALPERS LONG-TERM CARE INSURANCE CLASS ACTION**

**NEW SETTLEMENT—CATEGORY A**

Legal Name: \_\_\_\_\_

CalPERS Policy Number: \_\_\_\_\_

Current Address: \_\_\_\_\_

Unique ID: \_\_\_\_\_

PIN: \_\_\_\_\_

CalPERS' records indicate that you are a current Long-Term Care ("LTC") Insurance policyholder. This means that you are currently paying premiums to CalPERS for LTC Insurance and are not currently receiving benefits under your Policy. Under the New Settlement, this would put you into "Category A." As a Category A Class Member, you have two award options to consider under the New Settlement.

**TO SELECT YOUR OPTION, PLEASE VISIT [WWW.CALPERS.CA.GOV](http://WWW.CALPERS.CA.GOV) AND INPUT THE UNIQUE ID AND PIN PRINTED ABOVE.**

**IT IS IMPORTANT TO UNDERSTAND THAT BECAUSE THIS IS A NEW SETTLEMENT, YOU MUST MAKE A NEW ELECTION AND ANY PREVIOUS ELECTIONS YOU SUBMITTED IN RESPONSE TO THE PRIOR SETTLEMENT WILL NOT BE APPLICABLE TO THE NEW SETTLEMENT. IF YOU DO NOT MAKE AN ELECTION, IT WILL BE PRESUMED THAT YOU ARE SELECTING OPTION 2 AND WILL RETAIN YOUR POLICY.**

**Option 1: Receive an 80% Refund of Premiums Paid (Less LTC Benefits Previously Received) and Surrender your CalPERS LTC Policy.**

If you select Option 1, you will receive a refund equal to 80% of all premiums paid from your Policy's inception through the date the New Settlement becomes final (less any amounts paid in benefits under your Policy) but in no event will you receive less than \$8,000. In exchange for this payment, you will Surrender your CalPERS LTC Policy and you will no longer be entitled to any benefits from the policy.

CalPERS's records show that from the inception of your Policy through December 31, 2022 you paid \$\_\_\_ in premiums for your insurance and [received \$\_\_\_ in benefits][received no benefits]. Thus, should you remain in Category A as of the Final Settlement Date and use no additional benefits under your Policy, the total amount you will receive from the New Settlement if it is approved by the Court will be no less than:

\$ \_\_\_\_\_

**Importantly**, if you remain a current policyholder and you do not go On Claim, this amount will increase to include 80% of any additional premiums you pay between December 31, 2022, and the date the New Settlement becomes final. Also, please be assured that if you select a premium refund but go On Claim before the New Settlement becomes final, you will have the right to rescind this selection. That is, you will have the option to change your selection to opt for retaining your Policy and receiving a \$1,000 cash payment.

**Also, it is important to recognize that there is a possibility that the New Settlement may not become final for several months or may not be approved. Therefore, if you want to remain in Category A and remain eligible to receive a premium refund, it is important that you continue paying premiums until the New Settlement is final. You will be notified when you can stop paying premiums on your CalPERS LTC Policy.**

**Option 2: Keep your CalPERS LTC Policy and Receive a \$1,000 Cash Payment**

If you select Option 2, you will receive a cash payment of \$1,000. Additionally, you will receive the benefit of CalPERS' agreement not to implement any premium increases on your policy prior to November 1, 2024.

To make your election, please go online and complete the Form with the Unique ID and PIN printed above. **If you do not submit the Form and do not opt out of the New Settlement, you will be deemed to have selected Option 2. If you have any questions about your options, please call 1-866-217-8056 or visit the Settlement website at [www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com).**

**If you believe your categorization changed after December 31, 2022, please note that the Parties anticipate updating your categorization, as appropriate, before awards are finalized and distributed.**

**If you have trouble completing your election online, you may contact the Settlement Administrator at \_\_\_\_\_.**

When the Settlement becomes final, a check made payable to your legal name will be sent to the above listed address. If you want to change your address, please email \_\_\_\_\_.



# EXHIBIT A-4

**CALPERS LONG-TERM CARE INSURANCE CLASS ACTION**

**NEW SETTLEMENT—CATEGORIES B AND C**

Legal Name: \_\_\_\_\_

CalPERS Policy Number: \_\_\_\_\_

Current Address: \_\_\_\_\_

Unique ID: \_\_\_\_\_

PIN: \_\_\_\_\_

CalPERS' records indicate that you are currently On Claim and receiving benefits or you have applied for benefits and are awaiting a decision on your eligibility under your CalPERS' Long-Term Care ("LTC") Policy. Under the New Settlement, you are entitled to benefits as a "Category B" or "Category C" Class Member. As a Category B or C Class Member, you have two award options to consider under the New Settlement.

**Option 1: Receive a Refund of 80% of All Premiums Paid (Less LTC Benefits Previously Received) and Surrender your CalPERS LTC Policy.**

If you select Option 1, you will receive a refund equal to 80% of all premiums paid from your Policy's inception through the date the New Settlement becomes final (less any amounts paid in benefits under your Policy).

**However, it is very important to understand that if you select Option 1, you will surrender your Long-Term Care Policy with CalPERS and will no longer be entitled to receive any further benefits under your CalPERS Long-Term Care Policy. For Class Members who are On Claim or have applied to go On Claim, selecting this option only makes sense in rare circumstances. If you are considering Option 1, we would urge you to contact Class Counsel at \_\_\_\_\_ to discuss your decision.**

CalPERS' records show that from the inception of your policy through December 31, 2022 you paid \$\_\_\_ in premiums for your insurance and [received \$\_\_\_ in benefits][received no benefits]. Thus, should you remain in Category B or C as of the Final Settlement Date and use no additional benefits under your Policy, the total amount you will receive from the New Settlement if you select this option will be no less than:

\$ \_\_\_\_\_

**Option 2: Keep your CalPERS LTC Policy and Receive a \$1,000 Cash Payment**

If you select Option 2, you will receive a \$1,000 cash payment. You will not lose any rights you have under your CalPERS LTC Policy, you will continue to stay On Claim, and you will continue receiving the full benefits you are entitled to under your Policy.

**For most Class Members who are currently On Claim or have applied to go On Claim, Option 2 is the best option since it preserves your right to continue receiving benefits under your CalPERS LTC Policy.**

To make your election, please fill out and return the enclosed Election Form or fill it out online at \_\_\_\_\_. **If you do not submit or return the Form and do not opt out of the New Settlement, you will be deemed to have selected Option 2.** If you have any questions about your options, please call \_\_\_\_\_ or visit the Settlement website at [www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com).

**If you believe your categorization changed after December 31, 2022, please note that the Parties anticipate updating your categorization, as appropriate, before awards are finalized and distributed.**

You may also access and submit this Election Form online at [www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com) with the Unique ID and PIN printed above.

**When the Settlement becomes final a check made payable to your legal name will be sent to the above listed address. If you want to change your address, please email\_\_\_\_\_.**

**YOUR ELECTION**

I hereby acknowledge that I received the Settlement Package that includes the Class Notice, Award Letter and this Election Form. After considering this information I hereby elect to:

**Please only choose one option by initialing next to your selected option and signing this Form below. If you choose more than one option, you will be deemed to have selected Option 2.**

Option 1:

\_\_\_\_\_ Surrender my CalPERS LTC Policy and receive a refund of 80% of all premiums paid by me from my Policy's inception through the date the Settlement become final (less any benefits paid). **WARNING: For Class Members who are On Claim or are applying to go On Claim, selecting this option only makes sense in rare circumstances. If you are considering Option 1, we would urge you to contact Class Counsel to discuss your decision before you complete and return this form.**

Option 2:

\_\_\_\_\_ Keep my CalPERS LTC Policy and receive a \$1,000 cash payment. **For most Class Members who are currently On Claim or have applied to go On Claim, Option 2 is the best option since it preserves your right to continue receiving benefits under your CalPERS LTC Policy.**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
DATE

# EXHIBIT A-5

Unique ID: \_\_\_\_\_  
PIN: \_\_\_\_\_  
Tracking Number: \_\_\_\_\_

**CALPERS LONG-TERM CARE INSURANCE CLASS ACTION**

**NEW SETTLEMENT—CATEGORY D**

Legal Name: \_\_\_\_\_

CalPERS Policy Number: \_\_\_\_\_

Current Address: \_\_\_\_\_

CalPERS' records indicate that in February 2013 you had a Long-Term Care ("LTC") Insurance Policy issued by CalPERS and were informed by CalPERS in or about February 2013 that your CalPERS LTC Policy would be subjected to an 85% premium increase. CalPERS' records also indicate that between February 1, 2013, and December 31, 2014, you let your CalPERS LTC Policy Lapse. This means you are in Category D in the New Settlement.

As described more fully in the Notice accompanying this Award Letter, the terms of the New Settlement between CalPERS and the Class provide that individuals who let their LTC Policies lapse between February 1, 2013, and December 31, 2014, may be entitled to receive a refund equal to 40% of all premiums paid by the Settlement Class Member from the Policy inception date through the date the Policy lapsed (less any benefits received). However, to receive this refund, you must declare under penalty of perjury that you let your CalPERS LTC Policy Lapse as a result of the 85% premium increase that CalPERS announced in February 2013. For purposes of this provision "as a result of" means that the rate increase was a substantial factor in your decision to let your policy lapse.

The estimated refund you will receive from the New Settlement if it is approved by the Court is:

\$\_\_\_\_\_

To receive your refund under the New Settlement, you are required to complete a Lapse Claim Form online at **[www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com)** with the **UniqueID and PIN printed above by no later than \_\_\_\_\_**. If you do not submit the Lapse Claim Form online by the deadline, you will receive nothing from the New Settlement.

**If you believe your categorization changed after December 31, 2022, please note that the Parties anticipate updating your categorization, as appropriate, before awards are finalized and distributed.**

When the Settlement becomes final a check made payable to your legal name will be sent to the above listed address. If you want to change your address, please email \_\_\_\_\_.

# EXHIBIT A-6

Unique ID: \_\_\_\_\_  
PIN: \_\_\_\_\_  
Tracking Number: \_\_\_\_\_

**CALPERS LONG-TERM CARE INSURANCE CLASS ACTION**

**NEW SETTLEMENT—CATEGORY E**

Legal Name: \_\_\_\_\_  
CalPERS Policy Number: \_\_\_\_\_  
Current Address: \_\_\_\_\_

CalPERS' records indicate that in February 2013 you had a Long-Term Care ("LTC") Insurance Policy issued by CalPERS and were informed by CalPERS in or about February 2013 that your CalPERS LTC Policy would be subjected to an 85% premium increase. CalPERS' records also indicated that on or after January 1, 2015, you let your CalPERS LTC Policy Lapse. This means you are in Category E under the New Settlement.

As described more fully in the Notice accompanying this Award Letter, the terms of the New Settlement between CalPERS and the Class provide that individuals who let their LTC Policies lapse on or after January 1, 2015 may be entitled to receive a refund of 80% of all Additional Premiums paid as a result of the 85% rate increase, or \$2,000, whichever is greater. However, to receive this refund, you must declare under penalty of perjury that you let your CalPERS LTC Policy lapse as a result of the 85% premium increase that CalPERS announced in February 2013. For purposes of this provision "as a result of" means that the rate increase was a substantial factor in your decision to let your policy lapse.

CalPERS' records show that you paid \$ \_\_\_\_\_ in Additional Premiums as a result of the 85% increase. Thus, and considering the \$2,000 minimum payment, if the New Settlement is approved by the Court, you will receive:

\$ \_\_\_\_\_

To receive your refund under the New Settlement, you are required to complete a Lapse Claim Form **online at [www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com) with the UniqueID and PIN printed above by no later than \_\_\_\_\_**. If you do not submit the Lapse Claim Form online by the deadline, you will receive nothing from the Settlement.

**If you believe your categorization changed after December 31, 2022, please note that the Parties anticipate updating your categorization, as appropriate, before awards are finalized and distributed.**

When the Settlement becomes final a check made payable to your legal name will be sent to the above listed address. If you want to change your address, please email \_\_\_\_\_.



# EXHIBIT A-7

Unique ID: \_\_\_\_\_  
PIN: \_\_\_\_\_  
Tracking Number: \_\_\_\_\_

**CALPERS LONG-TERM CARE INSURANCE CLASS ACTION**

**NEW SETTLEMENT—CATEGORY F**

Legal Name: \_\_\_\_\_  
CalPERS Policy Number: \_\_\_\_\_  
Current Address: \_\_\_\_\_

CalPERS' records indicate that you may be the surviving heir of \_\_\_\_\_. Its records also indicate that in February 2013, \_\_\_\_\_ had a Long-Term Care ("LTC") Insurance Policy issued by CalPERS, and reduced benefits in response to a rate increase announced by CalPERS in February 2013. This means the Estate of \_\_\_\_\_ is in Category F under the New Settlement.

As described more fully in the Notice accompanying this Award Letter, the terms of the New Settlement between CalPERS and the Class provide that the estates of individuals who purchased CalPERS LTC Insurance Policies and reduced their benefits as a result of the rate increase announced in February 2013 are entitled to a return of 80% of any Additional Premiums paid as a result of CalPERS' 85% premium increase, or \$2,000, whichever is greater.

CalPERS' records show that after CalPERS raised \_\_\_\_\_'s premiums, the amount of Additional Premiums paid as a result of the 85% premium increase through December 31, 2022, was \_\_\_\_\_. Thus, and considering the \$2,000 minimum payment, if the New Settlement is approved by the Court, \_\_\_\_\_'s estate will receive:

\$ \_\_\_\_\_

If \_\_\_\_\_ paid Additional Premiums after December 31, 2022, the amount paid under the New Settlement will also incorporate 80% of these Additional Premium payments.

There is nothing that you need to do to receive this payment. A check will be sent to you for the foregoing amount when the New Settlement becomes final. If you want to change your address, please email \_\_\_\_\_.

# EXHIBIT A-8

Unique ID: \_\_\_\_\_  
PIN: \_\_\_\_\_  
Tracking Number: \_\_\_\_\_

**CALPERS LONG-TERM CARE INSURANCE CLASS ACTION**

**NEW SETTLEMENT—CATEGORY G**

Legal Name: \_\_\_\_\_

CalPERS Policy Number: \_\_\_\_\_

Current Address: \_\_\_\_\_

CalPERS' records indicate that you may be the surviving heir of \_\_\_\_\_. Its records also indicate that in February 2013, \_\_\_\_\_ had a Long-Term Care ("LTC") Insurance Policy issued by CalPERS and paid Additional Premiums as a result of CalPERS implementation of the 85% premium increase (announced in 2013 but implemented in 2015-2016). This means the Estate of \_\_\_\_\_ is in Category G under the New Settlement.

As described more fully in the Notice accompanying this Award Letter, the terms of the New Settlement between CalPERS and the Class provide that the estates of individuals who purchased CalPERS LTC Insurance Policies, paid Additional Premiums as a result of the premium increase, and died before the Final Settlement Date are entitled to a refund equal to 80% of any Additional Premiums paid as a result of the 85% premium increase.

CalPERS's records show that after CalPERS raised \_\_\_\_\_'s premiums, the amount of Additional Premiums paid as a result of the 85% premium increase through December 31, 2022 was \$\_\_\_\_\_. Thus, if the New Settlement is approved by the Court, \_\_\_\_\_'s estate will receive:

\$\_\_\_\_\_

If \_\_\_\_\_ paid Additional Premiums after December 31, 2022, the amount paid under the New Settlement will also incorporate 80% of these Additional Premium payments.

There is nothing that you need to do to receive this payment. A check will be sent to you for the foregoing amount when the New Settlement becomes final. If you want to change your address, please email\_\_\_\_\_.

# EXHIBIT A-9

Unique ID: \_\_\_\_\_  
PIN: \_\_\_\_\_  
Tracking Number: \_\_\_\_\_

**CALPERS LONG-TERM CARE INSURANCE CLASS ACTION**

**NEW SETTLEMENT—CATEGORY H**

Legal Name: \_\_\_\_\_

CalPERS Policy Number: \_\_\_\_\_

Current Address: \_\_\_\_\_

CalPERS' records indicate that you paid the 85% rate increase announced by CalPERS in February 2013, went On Claim and exhausted all of your CalPERS LTC benefits. Under the New Settlement, you are entitled to receive 80% of all Additional Premiums you paid as a result of the 85% premium increase.

CalPERS' records show that from 2015 through December 2022 you paid \$\_\_\_\_\_ in Additional Premiums for your insurance as a result of the 85% increase. Thus, should you remain in Category H as of the Final Settlement Date under your Policy, the total amount you will receive from the New Settlement if you select this option will be no less than:

\$\_\_\_\_\_

There is nothing that you need to do to receive this payment. A check will be sent to you for the foregoing amount if you remain in Category H when the New Settlement becomes final.

When the Settlement becomes final a check made payable to your legal name will be sent to the above listed address. If you want to change your address, please email \_\_\_\_\_.

# EXHIBIT A-10

**CALPERS LONG-TERM CARE INSURANCE CLASS ACTION**  
**NEW SETTLEMENT—CATEGORY I—LATE ELECTION FORM**

Legal Name: \_\_\_\_\_

CalPERS Policy Number: \_\_\_\_\_

Current Address:

As you are aware, you are a member of a Class Action lawsuit that was filed against CalPERS that arises from the 85% premium increase it announced in 2013. In \_\_\_\_ 2023 you received Notice of a New Settlement that was intended to resolve the claims asserted in the case. At that time, CalPERS' records indicated that—as of December 31, 2022—you were a Current Policyholder who was paying premiums to CalPERS and not receiving any benefits under your LTC policy. As a Current Policyholder, you were entitled to the relief given to Class Members in Category A of the New Settlement and were given the choice of either (1) surrendering your CalPERS LTC Policy in exchange for a refund of 80% of premiums you paid for the policy (less any benefits received), or (2) keeping your LTC Policy and receiving a \$1,000 cash payment.

We have been advised by CalPERS that your status as a Policyholder changed because you are now On Claim or have applied to go On Claim. Under the New Settlement, Class Members who go On Claim before the New Settlement becomes Final are given a second chance to make an election as to the relief they would like under the New Settlement. As before, you have the option of either keeping your CalPERS LTC Policy and receiving a \$1,000 cash payment, or surrendering your Policy in exchange for a refund of 80% of the premiums you paid (less any benefits received).

**IT IS IMPORTANT TO UNDERSTAND THAT EVEN THOUGH YOU MAY HAVE PREVIOUSLY SELECTED RELIEF AS A “CATEGORY A” CLASS MEMBER, YOUR CHANGE IN STATUS REQUIRES YOU TO RE-SUBMIT A NEW ELECTION. IF YOU DO NOT RESPOND TO THIS NOTICE, IT WILL BE PRESUMED THAT YOU NOW WANT TO KEEP YOUR CALPERS LTC POLICY AND WILL RECEIVE A \$1,000 PAYMENT (OPTION 2). PLEASE READ THE FOLLOWING CAREFULLY.**

**Option 1: Receive a Refund of 80% of All Premiums Paid (Less LTC Benefits Previously Received) and Surrender your CalPERS LTC Policy.**

If you select Option 1, you will receive a refund equal to 80% of all premiums paid from your Policy's inception through the date the New Settlement becomes final (less any amounts paid in benefits under your Policy).

**However, it is very important to understand that if you select Option 1, you will surrender your Long-Term Care Policy with CalPERS and will no longer be entitled to receive any further benefits under your CalPERS Long-Term Care Policy. For Class Members who are On Claim or have applied to go On Claim, selecting this option only makes sense in rare circumstances. Therefore, if you are considering Option 1, we would urge you to contact Class Counsel at \_\_\_\_\_ to discuss your decision.**

CalPERS' records show that from the inception of your Policy through the date you went On Claim, you paid \$\_\_\_ in premiums for your insurance and [received \$\_\_\_ in benefits] [received no



benefits]. Thus, should you select Option 1, the total amount you will receive from the New Settlement if you select this option will be the amount set forth below less any additional benefits received under your Policy after the Final Settlement Date:

\$ \_\_\_\_\_

**Option 2: Keep your CalPERS LTC Policy and Receive a \$1,000 Cash Payment**

If you select Option 2, you will receive a \$1,000 cash payment. You will not lose any rights you have under your CalPERS LTC Policy, you will continue to stay On Claim, and you will continue receiving the full benefits you are entitled to under your Policy.

**For most Class Members who are currently On Claim or have applied to go On Claim, Option 2 is the best option since it preserves your right to continue receiving benefits under your CalPERS LTC Policy.**

**It is very important that you return this Late Election Form to us as quickly as possible. The Late Election Form must be postmarked no later than 30 days after it was mailed to you to make an election.**

**If you do not return the Form, fail to make an election, or select both options, you will be deemed to have selected Option 2, will receive a \$1,000 payment, and will keep your CalPERS LTC Policy in place and be entitled to maintain all benefits and contractual rights available under your CalPERS LTC Policy, except those expressly released under the Settlement. If you have any questions about your options, please call 1-866-217-8056 or visit the Settlement website at [www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com).**

**You may also access and submit this Late Election Form online at [www.CalPERSLTCClassAction.com](http://www.CalPERSLTCClassAction.com) with the UniqueID and PIN printed above.**

**YOUR ELECTION**

I hereby acknowledge receiving this Late Election Form. After considering this information, I hereby elect to:

**Please only choose one option by initialing next to your selected option and signing this Form below. If you choose more than one option, you will be deemed to have selected Option 2.**

Option 1:

\_\_\_\_\_ Surrender my CalPERS LTC Policy and receive a refund of 80% of all premiums paid by me from my Policy's inception through the date the Final Settlement Date (less any benefits paid). **WARNING: For Class Members who are On Claim or are applying to go On Claim, selecting this option only makes sense in rare circumstances. If you are considering Option 1, we would urge you to contact Class Counsel to discuss your decision before you complete and return this Form.**

Option 2:

\_\_\_\_\_ Keep my CalPERS LTC Policy and receive a \$1,000 cash payment. **For most Class Members who are currently On Claim or have applied to go On Claim, Option 2 is the best option since it preserves your right to continue receiving benefits under your CalPERS LTC Policy.**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
DATE

When the Settlement becomes final a check made payable to your legal name will be sent to the above listed address. If you want to change your address, please email \_\_\_\_\_ or provide an updated address in the space below:

(Update address fields OCR)

You can return this form to:

CalPERS LTC Class Action

P.O. Box 6790

Portland, OR 97228-6790

1 **PROOF OF SERVICE**

2  
3 I, the undersigned, declare:

4 I am employed in the County of Los Angeles, State of California. I am over the age of 18  
5 and not a party to the within action; my business address is 601 So. Figueroa Street, Suite 2050,  
6 Los Angeles, California 90017.

7 On March 9, 2023 I served the foregoing documents described as follows:

8 **REVISED[ PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF  
9 SECOND CLASS ACTION SETTLEMENT**

10 on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes  
11 addressed as stated on the attached service list, and in the manner stated below:

12      BY MAIL:

13 I am “readily familiar” with the firm's practice of collection and processing  
14 correspondence for mailing. Under that practice, it would be deposited with the U.S.  
15 Postal Service on that same day with postage thereon fully prepaid at Los Angeles,  
16 California in the ordinary course of business. I am aware that on motion of the party  
17 served, service is presumed invalid if postal cancellation date or postage meter date is  
18 more than one day after date of deposit for mailing in affidavit.

19      BY PERSONAL SERVICE: I caused to be delivered such envelope by hand to the  
20 offices of:

21      BY FEDERAL EXPRESS OR OVERNIGHT CARRIER

22   x   BY ELECTRONIC SERVICE

23 In accordance with the Court’s Order for Electronic Service, all parties were served via  
24 the Court ordered Electronic Service Provider, Case Anywhere.

25      BY EMAIL as noted too certain parties on the service list

26   X   (State) I declare under penalty of perjury under the laws of the State of California that the  
27 above is true and correct.

28 Executed March 9, 2023, at Los Angeles, California.

\_\_\_\_\_  
KARINA TORRES  
(Type or Print Name)

\_\_\_\_\_  
*Karina Torres*  
(Signature)

**SERVICE LIST**

<p><b>Sheldon Eisenberg</b> <b>Adam Thurston</b> <b>Erin E. McCracken</b> DRINKER BIDDLE &amp; REALTH LLP 1800 Century Park East, Suite 1400 Los Angeles, CA 90067-571 Telephone: (310)203-4000 Facsimile: (310)229-1285 Email: <a href="mailto:Sheldon.eisenberg@dbr.com">Sheldon.eisenberg@dbr.com</a> <a href="mailto:Adam.thurston@dbr.com">Adam.thurston@dbr.com</a></p>	<p><i>Attorneys for Defendant</i> CalPERS <i>Attorneys for Respondents</i> Rob Feckner; George Dier Michael Bilbrey; Richard Costigan JJ Jelincic; Henry Jones Priya Mathur; Bill Slaton</p> <p><b>E-SERVICE</b></p>
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<p><b>Stuart C. Talley</b> KERSHAW, CUTTER &amp; RATINOFF, LLP 401 Watt Avenue Sacramento, CA 95864 Telephone: (916) 448-9800 Facsimile: (916) 721-2501 Email: <a href="mailto:stalley@kcrlegal.com">stalley@kcrlegal.com</a></p>	<p><i>Attorney for Plaintiffs/Appellants</i></p> <p><b>E-SERVICE</b></p>

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<p><b>Gregory L. Bentley</b> <b>Clare H. Lucich</b> <b>Matthew W. Clark</b> BENTLEY &amp; MORE LLP 4931 Birch Street Newport Beach, CA 92660 Telephone: (949) 870-3800 Facsimile: (949) 732-6291 Email: <a href="mailto:gbentley@bentleymore.com">gbentley@bentleymore.com</a> <a href="mailto:clucich@bentleymore.com">clucich@bentleymore.com</a> mclark@bentleymore.com</p>	<p><i>Attorney for Plaintiffs/Appellants</i></p> <p><b>E-SERVICE</b></p>
<p><b>MORRISON &amp; FOERSTER LLP</b> <b>ALLYSON R. BENNETT (SBN 302090)</b> <a href="mailto:abennett@mofocom">abennett@mofocom</a> <b>KATHERINE E. McNUTT (SBN 320128)</b> <a href="mailto:kmcnutt@mofocom">kmcnutt@mofocom</a> <b>TIMOTHY A. TROST (SBN 340843)</b> ttrost@mofocom 707 Wilshire Boulevard, Suite 6000 Los Angeles, CA 90017-3543 Telephone: 213-892-5200 Facsimile: 213-892-5454</p> <p><b>DARALYN J. DURIE (SBN 169825)</b> ddurie@mofocom <b>RAGESH K. TANGRI (SBN 159477)</b> rtangri@mofocom <b>ADAM R. BRAUSA (SBN 298754)</b> abrausa@mofocom <b>GALIA Z. AMRAM (SBN 250551)</b> gamram@mofocom 425 Market Street San Francisco, CA 94105-2482 Telephone: 415-268-7000 Facsimile: 415-268-7522</p>	<p><i>Attorneys for Defendant</i> <i>CALIFORNIA PUBLIC EMPLOYEES'</i> <i>RETIREMENT SYSTEM</i></p> <p><b>E-SERVICE</b></p>