

# ULB

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## IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MONTANA BILLINGS DIVISION

CHARLES M. BUTLER, III,  Plaintiff, on behalf of the Class,  v. UNIFIED LIFE INSURANCE COMPANY,  Defendant.	Case No. CV 17-50-BLG-SPW
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### NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

#### IMPORTANT LEGAL NOTICE

**TO: INDIVIDUALS WHO PURCHASED A UNIFIED LIFE INSURANCE COMPANY SHORT-TERM MEDICAL INSURANCE POLICY OR ANY POLICY WITH SIMILAR, OPERATIVE LANGUAGE AS THE POLICY COVERING THE CLASS REPRESENTATIVE; WHO HAVE PAID THEIR PREMIUMS; WHO HAVE MADE ONE OR MORE CLAIMS; FOR WHOM UNIFIED ASSIGNED AN AMOUNT FOR THE CLAIM USING THE DATA iSIGHT METHODOLOGY; AND FOR WHOM UNIFIED ASSIGNED THE PAYABLE AMOUNT WITHIN THE APPLICABLE STATUTORY PERIOD OF LIMITATIONS FOR WRITTEN CONTRACTS DATING BACK FROM THE FILING OF PLAINTIFF'S THIRD AMENDED COMPLAINT.**

**PLEASE READ THIS NOTICE CAREFULLY TO FIND OUT HOW THE PROPOSED SETTLEMENT MAY AFFECT YOUR RIGHTS. THIS NOTICE WAS AUTHORIZED BY A FEDERAL COURT. IT IS NOT A SOLICITATION FROM A LAWYER.**

YOUR LEGAL RIGHTS AND OPTIONS	
<b>OBJECT</b>	To object to the settlement, you must explain to the Court, in writing, why you object to the terms of the settlement or attorneys' fee award.
<b>ATTEND THE HEARING</b>	If you timely file your objection, you may ask to speak in Court about the fairness of the settlement or the attorneys' fee award.
<b>DO NOTHING</b>	If you do nothing, you will receive compensation under the settlement.

\* These rights and options—**and the deadlines to exercise them**—are explained in this notice.

\*\* Payment will not be made until the Court overseeing the lawsuit approves the settlement and any appeals are resolved.

## **1. WHY AM I RECEIVING THIS NOTICE?**

You are receiving this notice because our records indicate that you are covered by a proposed class action settlement. Specifically, you were identified as a Unified Life Insurance Company (“Unified”) Short-Term Medical Insurance policyholder who submitted at least one health insurance claim on behalf of yourself or other insureds covered by your policy issued between 2014 and 2017. You also received notice of and the opportunity to opt out of the class action lawsuit in June of 2020 either through the mail or publication. You did not opt out of the lawsuit and, if approved by the Court, you will be bound by this settlement agreement concerning the lawsuit.

The United States District Court for the District of Montana, Billings Division directed the parties to send you this notice because you have a right to know about a proposed settlement of the class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves the settlement, after any appeals are resolved, the settlement administrator will distribute a payment to you in accordance with the settlement.

This notice explains the lawsuit, the settlement, your legal rights, and what payments may be available to you.

## **2. WHY IS THIS A CLASS ACTION LAWSUIT?**

In a class action lawsuit, a class representative (here, Charles M. Butler, III), sues on behalf of individuals who have similar claims as the class representative. These individuals are jointly called the class and individually called class members. In a class action lawsuit, a single court resolves common issues for all class members, except for those who previously excluded themselves from the class by opting out.

The class action is governed by the United States District Court for the District of Montana and overseen by U.S. District Judge Susan Watters. The case is *Butler, et al. v. Unified Life Insurance Company, et al.* Case No. CV-17-50-SPW-TJC.

## **3. WHAT IS THE CLASS ACTION LAWSUIT ABOUT?**

On December 3, 2018, Plaintiffs alleged that Unified systematically breached class member short-term medical insurance policies issued from 2014 to 2017 by underpaying, through its utilization of Data iSight, medical claims at levels below what was required by the insurance policies.

Unified denies all material allegations of Plaintiff’s class action complaint.

The Court certified the class action lawsuit on September 30, 2019. In June 2020, individual notices were mailed to prospective class members and published in a national newspaper informing them about the class certification, explaining how the class action might affect their rights, and providing them an opportunity to opt out if they wished to do so.

The parties vigorously litigated the claims. On May 3, 2021, Plaintiff and Unified conducted a mediation of the class claim in Billings, Montana, before Magistrate Judge John Johnston. At the mediation, the Parties agreed upon an \$8,000,000 class settlement amount that was recommended by Judge Johnston, along with various conditions, that have subsequently been formalized into a settlement agreement. The Court has preliminarily approved the settlement agreement.

You are a class member, and will be bound by this settlement if it is approved by the Court. Your legal rights are affected whether you act or not, including that you will be releasing all claims against Unified. Read this notice carefully.

## **4. WHY IS THIS CLASS ACTION LAWSUIT BEING SETTLED?**

Unified and class counsel have analyzed and evaluated the merits of the class action lawsuit and its effects on the parties and all class members. After taking into account the foregoing, along with the risks and costs of further litigation, Unified and class counsel have reached a settlement and are satisfied that the terms and conditions of the settlement are fair, reasonable, adequate, and equitable, and that a settlement of the lawsuit and the prompt provision of effective relief to the class members are in the best interest of the parties and all class members.

## **5. AM I A CLASS MEMBER AND AM I PART OF THIS SETTLEMENT?**

Yes. By receiving this notice, you have been identified as a class member and are a part of this settlement. Unified has identified you as a health insurance policyholder who purchased a covered health insurance policy between 2014 and 2017 and has made at least one claim under the policy on your own behalf or on behalf of another insured under your policy. Additionally, you did not opt out of the class action lawsuit, and therefore are bound by the settlement, if it is approved by the Court.

## **6. CAN I OPT OUT OF THE CLASS ACTION LAWSUIT OR THE SETTLEMENT?**

No. The period for opting out of the class action lawsuit expired on August 14, 2020. If you did not opt out of the class action lawsuit by that date, you are bound by the settlement, if it is approved by the Court.

## **7. HOW MUCH WILL BE PAID UNDER THE SETTLEMENT AGREEMENT?**

Under the settlement agreement, Unified has agreed to pay \$8,000,000 to resolve the class claims. Additionally, Unified has agreed not to object to class counsel requesting \$2,000,000 of the settlement amount for attorneys' fees, \$35,000 for class counsel litigation costs, and \$25,000 for Charles M. Butler, III, as class representative. These amounts, if approved, will be deducted from the settlement. Administrative expenses for the settlement will also be deducted from the \$8,000,000 settlement amount.

## **8. HOW MUCH WILL I BE PAID UNDER THE SETTLEMENT AGREEMENT?**

Your payment amount will depend on your Discount Amount, which is the difference between the amount your provider charged you for each medical claim and the amount Unified paid you for those claims, subject to deductibles, copays and coinsurance. Based on this information, the settlement agreement uses the below tiers to determine your payment amount. The exact amount of payments may vary slightly from those set forth below, depending on the total amount to be distributed after subtracting attorneys' fees and costs, the fee to be paid to the class representative, and administrative expenses.

- **Tier 1** includes all policyholders with zero Discount Amounts. The estimated payment amount for each policyholder in Tier 1 is \$5, subject to adjustment as described above.
- **Tier 2** includes all policyholders with Discount Amounts less than \$1,000, but greater than zero. The estimated payment amount for each policyholder in Tier 2 is \$45, subject to adjustment.
- **Tier 3** includes all policyholders with Discount Amounts less than \$10,000, but greater than or equal to \$1,000. The estimated payment amount for each policyholder in Tier 3 is \$375, subject to adjustment.
- **Tier 4** includes all policyholders with Discount Amounts less than \$20,000, but greater than or equal to \$10,000. The estimated payment amount for each policyholder in Tier 4 is \$1,000, subject to adjustment.
- **Tier 5** includes all policyholders with Discount Amounts less than \$40,000, but greater than or equal to \$20,000. The estimated payment amount for each policyholder in Tier 5 is \$2,000, subject to adjustment.
- **Tier 6** includes all policyholders with Discount Amounts greater than \$40,000. The estimated payment amount for each policyholder in Tier 6 is \$6,000, subject to adjustment.

You are responsible for tax implications (if any) from this settlement.

## **9. WHAT DO I NEED TO DO TO RECEIVE PAYMENT?**

You do not need to do anything to receive payment under the settlement. Unified has assessed Discount Amounts for each policyholder (and for all insureds making claims under the policyholder's policies), and if the settlement is approved, you will receive a payment in accordance with the tiers outlined above. The payment will be made to the policyholder for all insureds who made claims under the policyholder's policies.

## **10. WHEN WILL I RECEIVE PAYMENT?**

The Court will hold a Fairness Hearing on November 18, 2021, to decide whether to approve the settlement. If the Court approves the settlement, and if there are no objections or appeals, payment will be made shortly after approval. If there are objections or appeals, payment will be made after the objections and appeals are resolved, which may exceed one year.

If the Court approves the settlement, the settlement will be legally binding on you whether you objected or not.

## **11. WHAT RIGHTS AM I GIVING UP UNDER THE SETTLEMENT AGREEMENT?**

As part of the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Unified related to the short-term medical policies at issue in the lawsuit. Specifically, you will release and waive, and covenant not to sue Unified and related persons and entities for any claims or causes of actions arising from or related to short-term medical policies at issue in the lawsuit.

## **12. WHO ARE MY LAWYERS IN THIS CLASS ACTION LAWSUIT?**

The Court appointed John Morrison and Scott Peterson of the law firm Morrison, Sherwood, Wilson, & Deola, PLLP, to represent you and the other class members in the class action lawsuit. These lawyers are referred to as class counsel. You will not be responsible for paying class counsel, but if you want to be represented by your own lawyer, you may hire one at your own expense.

### 13. HOW WILL MY LAWYERS BE COMPENSATED?

Class counsel will ask the Court to approve payment of up to \$2,000,000 for their attorneys' fees, \$35,000 for litigation and settlement administration costs, and \$25,000 for Charles M. Butler, III, as class representative. These fees would compensate and reimburse class counsel for investigating the facts, litigating the case, and negotiating the settlement. These amounts will be deducted from the \$8,000,000 settlement amount, along with settlement administrative expenses, resulting in approximately \$5,800,000 to be distributed to class members. Unified has agreed not to oppose these fees and expenses. If the Court does not approve class counsel's fees and expenses, the settlement may be voided. Class counsel will be filing a motion and brief in support of these fees and costs, and these documents will be available on [www.UnifiedClassAction.com](http://www.UnifiedClassAction.com) for your review before **September 17, 2021**.

### 14. WHAT IS AN OBJECTION AND HOW DO I OBJECT TO THE SETTLEMENT?

Objecting to the settlement means notifying the Court of the reasons why you oppose the settlement. You may object to any part of the settlement, including class counsel's request for attorneys' fees and costs, by mailing a letter to the address below:

Clerk of Court  
United States District Court for the District of Montana  
2601 2nd Ave. N.  
Billings, MT 59101

The letter must be mailed no later than **October 19, 2021**. The letter must reference the case number (CV 17-50-BLG-SPW), and the case name, *Butler v. Unified Life Insurance*. It must also include a detailed statement of the objection and the specific reasons for it, including any evidence and legal authority you wish to bring to the Court's attention. It must also contain your printed name, address, telephone number, and provide information establishing your standing as a class member. If you retain an attorney (which you may, at your expense), the attorney must: (a) file a notice of appearance with the Court by **November 4, 2021**; (b) file a sworn declaration attesting to his or her representation of you in regard to the filing of the objection on your behalf; and (c) satisfy (on your behalf) all requirements for objection described here.

These objection requirements are important. If you do not comply with them, you will give up the right to object to the settlement, to appear and be heard on any such objection at the Fairness Hearing, and the right to appeal from the Court's disposition of the settlement.

If the Court grants final approval of the settlement, you will be bound by the settlement, even if you submitted an objection to the settlement.

### 15. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Fairness Hearing on **Thursday, November 18, 2021**, at the United States District Court for the District of Montana, 2601 2nd Ave. North, Billings, Montana. At the hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Watters will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to class counsel. After the hearing, the Court will decide whether to approve the settlement.

### 16. DO I HAVE TO APPEAR AT THE FAIRNESS HEARING?

No. You are not required to appear at the Fairness Hearing. Class counsel will appear on your behalf and answer any questions the Court may have. If you or your counsel wish to appear at the Fairness Hearing, then you must file a written notice of intent to appear with the Court and counsel for both parties (at the address listed in the answer to Question 14) by **November 4, 2021**.

### 17. WHAT HAPPENS IF I DO NOT DO ANYTHING IN RESPONSE TO THIS NOTICE?

If you do not do anything in response to receiving this notice and the Court approves this settlement, you will receive a payment by check.

### 18. HOW DO I GET FURTHER INFORMATION?

If you have any questions about this notice, settlement, or the class action lawsuit, or want to review any document that has been filed in this case, you may visit [www.UnifiedClassAction.com](http://www.UnifiedClassAction.com) or call **1-844-799-1617** toll-free.

**Please do not contact the Judge, the Clerk of Court, Unified Life Insurance Company, or their attorneys, with questions.**

**BY ORDER OF THE COURT:**  
Susan P. Watters, District Court Judge