

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF CONNECTICUT

You may be entitled to expanded claims standards for your CNA long term care insurance policy because of a class action settlement.

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

- This is a class action about whether Continental Casualty Company (“Defendant” or “CNA”) acted appropriately in the handling of claims for stays in Connecticut Managed Residential Communities (“MRC”) served by Assisted Living Services Agencies under certain CNA long term care insurance policies.
- CNA’s records show that you are a long term care insurance policyholder and that you are therefore automatically eligible for certain benefits through the proposed settlement.
- Your legal rights are affected whether you act, or don’t act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
YOU CAN OBJECT	You can write to the Court about why don’t agree with the settlement.
YOU CAN GO TO A HEARING	You can ask to speak in Court about the settlement.
YOU CAN DO NOTHING	If you do nothing, you will automatically receive the benefits of the settlement, and you give up your right to object to the settlement.

- These rights and options—**and the deadlines to exercise them**—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Benefits under the settlement will only become available if the Court approves the settlement and the settlement becomes final. Your patience during this process is greatly appreciated.

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BASIC INFORMATION

1. Why was this notice issued?

You received this notice because CNA's records show that you are a long term care insurance policyholder of Continental Casualty Company and that you are eligible for certain future benefits through this proposed settlement. A Court authorized this notice because you have a right to know about a proposed settlement of this class action with the Defendant, and about all of your options, before the Court decides whether to give "final approval" to the settlement. This notice explains the lawsuit, the settlement, your legal rights, and the benefits provided by the settlement.

The United States District Court for the District of Connecticut is overseeing this class action. The case is known as *Gardner, et. al., v. Continental Casualty Company*, No. 13-cv-01918. The people who sued are called the "Plaintiffs," and the company they sued, Continental Casualty Company, is called the "Defendant."

2. What is this lawsuit about?

The lawsuit stems from CNA's denial of certain claims for stays in Connecticut MRCs in which Assisted Living Services Agencies provide services to residents. CNA denied the claims at issue contending that the MRCs were not licensed by the State and that these MRCs could not, and did not, provide the level of care and services required by the policy for coverage. The Plaintiffs believe these claims should not have been denied and should have been paid. CNA strongly denies any wrongdoing and asserts that it complied with all laws and other requirements in connection with these policies. CNA also says that any and all coverage denials were correct under the terms of the policies.

You are receiving this notice because, in connection with this settlement, claims handling standards for your long term care insurance policy are being expanded. You may benefit from these expanded standards in the future, if you ever make a claim for a stay in a Connecticut MRC.

3. Why is this a class action?

In a class action, one or more people called "Class Representatives" sue on behalf of people who the court determines have similar claims. All these people are a "Class" or "Class members." One court resolves the issues for all Class members.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or the Defendant. Instead, both sides agreed to settle this case to avoid the cost and risk of a trial. The settlement does not mean that any law was broken or that the Defendant did anything wrong. The Defendant denies all legal claims in this case. The Class Representatives and their lawyers think the settlement is in the best interest of all Class members.

WHO IS IN THE SETTLEMENT

To see if you are eligible for benefits from this settlement, you first have to determine if you are a Class member.

5. How do I know if I am part of the settlement?

The Class includes all CNA policyholders with the policies listed below that are in-force and whose policy was issued in Connecticut, New York, New Jersey, Pennsylvania, Massachusetts or Rhode Island. Call 1-888-251-7042 if you are not sure whether you are included in the Class or you may call Class Counsel, Sean K. Collins at 1-855-693-9256.

6. Which policies are included?

The settlement includes any individual LTC 1 series policy numbered 15203, 16356, or 16944 purchased from CNA and any Con Care B series policy numbered 59433 or 59806 purchased from CNA that were issued in Connecticut, New York, New Jersey, Pennsylvania, Massachusetts, or Rhode Island. This settlement however relates only to coverage at MRC facilities in Connecticut that are served by an Assisted

Living Services Agency. Claim standards related to facilities located outside of Connecticut are not impacted whatsoever by this settlement.

7. I am still not sure if I am included.

If you received this Notice, CNA believes you are part of the settlement. If you still have questions, you can call 1-888-251-7042 or you may call Class Counsel, Sean K. Collins at 1-855-693-9256.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the settlement provide?

If you are a Class member, CNA is required to change the way in which it handles future claims for stays in Connecticut MRCs. These changes will allow for coverage in more situations than CNA was providing prior to this lawsuit. These revised standards provide that going forward in order to receive facility benefits under the policies at issue for a stay in a Connecticut MRC:

- The policyholder must contract with a licensed Assisted Living Services Agency (“ALSA”) servicing the MRC in which the policyholder resides, and receive care from that ALSA within the MRC as set forth below. ALSA personnel (whether employed by the ALSA or contracted with the ALSA) must be present 24-hours-a-day, and be able to provide the care described below as necessary. The MRC must either hold the ALSA license itself, contract with the ALSA, or be part of the same corporate family as the ALSA.
- A Registered Nurse, Licensed Practical Nurse or Licensed Vocational Nurse must be on-site at least five hours a day, seven days a week, and on call the remainder of the time. The ALSA must confirm in writing that “[a] registered nurse shall be responsible for the ... implementation or delegation of responsibility for the availability of nursing services on a twenty-four (24) hour basis.” (See CT DPH Reg. 19-13-D105(h)(3)(I)). The ALSA must further confirm in writing that “sufficient numbers of assisted-living aides are available to meet the needs of clients at all times based on the clients’ service programs.” (See CT DPH Reg. 19-13-D105(j)(10)).
- The policyholder must receive assistance from personnel of the ALSA with any of the following:
 - skilled nursing or intermediate nursing care – which is medical care above the level of assistance with activities of daily living (“ADLs”) – at least three times a week; or
 - two or more of the following ADLs, with the frequency as indicated: Bathing (at least three times a week), dressing (at least five times a week), transferring (at least once a day), eating (at least once a day), incontinence care (at least once a day), medication (at least three times a week), mobility (at least once a day), and toileting (at least once a day); or
 - confinement in a locked or lockable memory care or dementia unit serving patients who are elopement risks with regular assistance with at least one of the activities of daily living identified above.
- Every six months, a physician associated with the ALSA or the insured's personal physician must certify that the policyholder’s care needs, as described in Part I.C above, are being met by the ALSA (this is independent of any recertification requirement which may appear in the policies).
- The ALSA must verify in writing that it maintains a “client service record” setting forth the "daily care and treatment of the client," as is required by CT DPH Reg. 19-13-D105(k)(1).

HOW TO GET BENEFITS

9. How can I get benefits?

As a current policyholder, you automatically receive the benefit of these changes in claims handling practices if you file a claim for an MRC stay in the future. In that event, your claim may or may not be paid, depending on whether it satisfies the new agreed-upon criteria. For policyholders who want to seek coverage for a stay at an MRC now, whether you are residing at an MRC now or planning to move in the near future,

you must first initiate a claim with CNA in accordance with the terms of your policy. If you have any questions, you can contact Class Counsel Sean K. Collins at (855) 693-9256.

10. When will I get my benefits?

Your benefits provided by this settlement will only be available for claims made under your policy after the Court grants “final approval” of the settlement, and after any appeals have been resolved. If the Judge approves the settlement after a hearing on **February 28, 2017** (see the section “The Court’s Fairness Hearing” below), there may be appeals. Resolving these appeals can take time, your patience is greatly appreciated.

11. What am I giving up to get benefits?

If the settlement becomes final, Class members will be releasing the Defendants for all the claims described and identified in the Settlement Agreement. You will be bound by all of the provisions in the Settlement Agreement in this case, including granting to Defendant a full and complete release of all Released Claims, as described in Section III of the Settlement Agreement and the Court’s Final Approval Order. This includes any claims you have or may ever have relating to the interpretation, application, implementation or enforcement of the long term care facility benefit of the Policies as applied to claims for stays in Connecticut MRCs. The release does not prevent you from making a future claim to enforce the terms of the Settlement Agreement, nor does it impact claims you may file that are not the subject of this lawsuit. You should consult the Settlement Agreement at www.CTLongTermCareInsuranceSettlement.com for further details. Class Counsel Sean K. Collins is available to answer questions you may have for free and can be reached at 1-855-693-9256, or you can, of course, talk to your own lawyer if you have questions about the released claims or what they mean.

12. Can I choose to not participate in the settlement?

No. Because this class settlement does not involve money damages, but instead involves changes to the way CNA will handle certain coverage claims in the future for stays at Connecticut MRCs, class members may not exclude themselves from — or, as is sometimes referred to, “opt out” of — the Class. Under the terms of the settlement, you give up any right to sue or be part of any other lawsuit against the Defendant for the claims that are released by this settlement, namely, as they relate to coverage for stays at Connecticut MRCs under the Long Term Care Facility Benefit.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court appointed (1) Sean K. Collins of the Law Offices of Sean K. Collins (2) Lionel Z. Glancy and Ex Kano Sams II of Glancy Prongay & Murray LLP, (3) Louis George and Jeffrey O. McDonald of Hassett & George PC, (4) Jeffrey Goldenberg of Goldenberg Schneider LPA, and (5) Janet E. Pecquet of Beckman Weil Shepardson LLC to represent you and other Class members as “Class Counsel.” You do not have to personally pay Class Counsel. Class Counsel Sean K. Collins is available to answer any questions you may have about this settlement free of charge and can be reached at (855) 693-9256. If you want to be represented by your own lawyer, and have that lawyer appear in court for you in this case, you may hire one at your own expense.

14. How will the lawyers be paid?

Class Counsel will ask the Court for a combined award of attorneys’ fees, expense reimbursements, and contribution awards for the Class Representatives not to exceed \$1,587,827. The Class Representatives’ contribution awards are a way to recognize the efforts made by the Class Representatives on behalf of the Class. The Court must approve all payments and may award less than this amount. The Defendant will pay the fees, expenses and contribution awards as approved by the Court. These payments will not reduce the benefits available to eligible Class members. The Defendant will also pay the costs to administer the settlement.

OBJECTING TO THE SETTLEMENT

You can tell the Court if you do not agree with the settlement or some part of it.

15. How do I tell the court if I do not like the settlement?

If you do not want the Court to approve the settlement, you must file a written objection. You must give reasons why you think the Court should not approve it. To object, send a letter saying that you object to *Gardner v. Continental Casualty Company*. Be sure to include the case number (No. 13-cv-01918), your name, address, telephone number, your signature, the reasons why you object to the settlement, any legal support you wish to bring to the Court's attention, and all documents you want the Court to consider. Mail the objection to each of the three addresses below so that it is postmarked no later than **January 27, 2017**:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court District of Connecticut Richard C. Lee Courthouse 141 Church Street New Haven, CT 06510	Sean K. Collins Law Offices of Sean K. Collins 184 High Street, Suite 503 Boston, MA 02110	Brent R. Austin Eimer Stahl LLP 224 S. Michigan Avenue, Suite 1100 Chicago, IL 60604

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to.

16. When and where will the Court decide whether to approve the settlement?

The Court has scheduled a Fairness Hearing at 1:00 p.m. on February 28, 2017 at the United States District Court for the District of Connecticut, Richard C. Lee United States Courthouse, 141 Church Street, New Haven, CT 06510 in Courtroom 2. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check www.CTLongTermCareInsuranceSettlement.com or call 1-888-251-7042 for current information.

At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may listen to people who have asked to speak about an objection (*see* Questions 18 and 21). The Court may also decide how much to award Class Counsel as fees and expenses for representing the Class and whether and how much to award the Class Representatives for representing the Class. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take.

17. Do I have to come to the hearing?

No. Class Counsel will answer any questions that the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you filed and mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend if you so choose.

18. May I speak at the hearing?

Yes. You, or an attorney you hire at your own expense, may ask the Court for permission to speak at the Fairness Hearing. To do so, you must file a Notice of Appearance of counsel or pro se Appearance with the Court. Alternatively, in the case of an unrepresented individual, you may deliver to Lead Class and Defense Counsel a Notice of Intent to Appear in *Gardner v. Continental Casualty Company*. Any Notice of Appearance, pro se Appearance or Notice of Intent to Appear should include your name, address, telephone number, and your signature, and must identify any documents you will seek to introduce and witnesses who you want to testify at the hearing. Any Notices must be filed and/or postmarked no later than January 27, 2017 and be sent to the addresses listed in Question 15.

19. What happens if I do nothing at all?

If you are a Class member and you do nothing, and the settlement becomes final, you will get the benefits from this settlement.

GETTING MORE INFORMATION

20. How do I get more information about the settlement?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement at www.CTLongTermCareInsuranceSettlement.com. You may also call with questions to 1-888-251-7042 or write to **Gardner v. Continental Casualty Co. Settlement; c/o KCC, Settlement Administrator; P.O. Box 8060; San Rafael, CA 94912-8060**. You can also call Class Counsel Sean K. Collins at (855) 693-9256 with any questions you may have regarding the settlement.