

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

BRENDA J. OTTE, et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	CASE NO. 09-11537-RGS
	)	
LIFE INSURANCE COMPANY OF	)	
NORTH AMERICA, et al.,	)	
	)	
Defendants.	)	

IF YOU WERE A BENEFICIARY OF A GROUP LIFE INSURANCE POLICY OBTAINED THROUGH YOUR EMPLOYER AND ISSUED BY LIFE INSURANCE COMPANY OF NORTH AMERICA (“LINA”) OR CONNECTICUT GENERAL LIFE INSURANCE COMPANY (“CGLIC”) (TOGETHER, “CIGNA” OR “DEFENDANTS”), AND YOUR BENEFITS WERE PAID BY THE CREATION OF A CIGNASSURANCE ACCOUNT BETWEEN **SEPTEMBER 15, 2003**, AND **NOVEMBER 1, 2012**, YOU COULD GET A PAYMENT FROM A CLASS ACTION SETTLEMENT.

The United States District Court for the District of Massachusetts has authorized this Notice.

**This is not a solicitation from a lawyer.**

- In settling claims for benefits due under life insurance policies, Defendants establish a Cignassurance account for certain beneficiaries and credit those accounts with the benefit proceeds. Beneficiaries receive a book of drafts (which look similar to checks) that they can use to draw down the funds in their accounts. This lawsuit involves a claim that Defendants retain some of the earnings or profits on the funds until they are drawn down. The settlement resolves that claim on behalf of all class members, including you.
- **YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DON’T ACT. READ THIS NOTICE CAREFULLY.**
- 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. Payments will be made if the Court approves the settlement and after any appeal is resolved. Please be patient.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
<b>DO NOTHING</b>	You may get a payment if the Court approves the settlement. You will also be barred from bringing your own lawsuit.
<b>EXCLUDE YOURSELF</b>	Get no payment. If you exclude yourself, you cannot object to the settlement, but you would not be barred by the settlement from bringing a suit of your own.
<b>OBJECT</b>	Write to the Court and to the attorneys about why you don’t like the settlement.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the settlement. This does not prevent you from getting a payment.

**BASIC INFORMATION** ..... **PAGE 2**  
 1. Why did I get this notice package?  
 2. What is this lawsuit about?  
 3. Why is this a class action?  
 4. Why is there a settlement?

**THE SETTLEMENT BENEFITS—WHAT YOU GET**..... **PAGE 3**  
 5. What does the settlement provide?  
 6. How much will my payment be?  
 7. What if I currently have a balance in a Cignassurance account?

**HOW YOU GET A PAYMENT** ..... **PAGE 3**  
 8. How can I get a payment?  
 9. When would I get my payment?  
 10. What am I giving up to get a payment and stay in the Class?

**EXCLUDING YOURSELF FROM THE SETTLEMENT** ..... **PAGE 4**  
 11. How do I get out of the settlement?  
 12. If I don't exclude myself, can I sue Defendants for the same thing later?  
 13. If I exclude myself, can I get money from this settlement?

**THE LAWYERS REPRESENTING YOU** ..... **PAGE 4**  
 14. Do I have a lawyer in the case?  
 15. How will the lawyers be paid?

**OBJECTING TO THE SETTLEMENT**..... **PAGE 4**  
 16. How do I tell the Court that I don't like the settlement?  
 17. What's the difference between objecting and excluding?

**THE COURT'S SETTLEMENT HEARING** ..... **PAGE 5**  
 18. When and where will the Court decide whether to approve the settlement?  
 19. Do I have to come to the hearing?  
 20. May I speak at the hearing?

**IF YOU DO NOTHING**..... **PAGE 5**  
 21. What happens if I do nothing at all?

**GETTING MORE INFORMATION** ..... **PAGE 5**  
 22. Are there more details about the settlement?  
 23. How do I get more information?

**BASIC INFORMATION**

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

You have been identified as a beneficiary of life insurance benefits that were insured by group life insurance policies issued by Cigna in which benefits were settled by the creation of a Cignassurance account.

The Court has directed that notice be sent to you because you have a right to know about a proposed settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the settlement allows. If the Court determines subsequent to the sending of this Notice that the terms of settlement have changed in a way that has no material adverse effect on the Settlement Class Members, then additional notice of those changes may not necessarily be given to the Settlement Class Members.

This Notice explains the lawsuit, settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of Massachusetts (located in Boston, Massachusetts) and the case is known as *Brenda J .Otte, et al. v. Life Insurance Company of North America, et al.*, Case No. 09-11537-RGS. The person who sued, Brenda J. Otte, is called the Plaintiff, and the companies who were sued, Life Insurance Company of North America and Connecticut General Life Insurance Company (both subsidiaries of Cigna Corporation), are called the Defendants.

## 2. What is this lawsuit about?

The lawsuit was filed in the United States District Court located in Boston, Massachusetts, on September 15, 2009. The settlement resolves claims on behalf of the class members that Defendants retained the life insurance benefits of beneficiaries of certain welfare benefit plans that Defendants insured and whose claims Defendants settled through Cignassurance accounts. Specifically, Plaintiff claims—on behalf of herself and the class members—that Defendants invested the life insurance benefits for their own enrichment and kept some of the resulting profits. Plaintiff claims that this violates the fiduciary standards and prohibited transaction rules found in ERISA—the Employee Retirement Income Security Act of 1974.

Defendants deny any wrongdoing, and specifically deny that they breached any fiduciary duties or otherwise violated any provision of ERISA or any other law. Defendants specifically point out that they paid all benefits due, plus interest, and that each person left funds in his or her Cignassurance account only for as long as he or she wanted to. Defendants have decided to compromise the claims of the Plaintiff and the class members she represents and pay a money settlement of \$8,134,207.35 million.

## 3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Brenda J. Otte) sue on behalf of people who have similar claims. All these people are part of the Settlement Class. One court resolves the issues for all Settlement Class Members, except for those who exclude themselves from the Class.

## 4. Why is there a settlement?

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to a compromise. That way, they avoid the cost of a trial and the risks that one side or the other might lose, and the people affected will get compensation. The Class Representative and her attorneys think the settlement is best for all Settlement Class Members.

### THE SETTLEMENT BENEFITS—WHAT YOU GET

## 5. What does the settlement provide?

Defendants have agreed to \$8,134,207.35 in settlement. The settlement will be distributed on a formula basis. Each class member will receive his/her/its “Individual Share.” The relative shares will be based on an estimate of how much interest was previously paid to you on your Cignassurance account. The full Plan of Allocation can be found at [OtteClassAction.com](http://OtteClassAction.com)

## 6. How much will my payment be?

Your payment will be determined as described in the answer to Question 5 above. The average payment will be approximately \$64.03 (net of fees and expenses), although your payment may be considerably higher or lower depending on the size of your life insurance payment, how long you left funds in your account, and the passage of time.

## 7. What if I currently have a balance in a Cignassurance account?

If you currently have a balance in a Cignassurance account, Defendants will continue to administer the Cignassurance account in accordance with the account agreement. Cignassurance accounts are not insured by the FDIC. Defendants will continue to guarantee the balance and pay interest on that balance. Defendants are also free to continue to invest the funds associated with that balance as they see fit. Defendants may make more investment income using your funds than the interest that they pay to you. Part of this settlement includes a release of claims relating to current balances in Cignassurance accounts. As was always the case, you may choose to close your Cignassurance account or keep your Cignassurance account open.

### HOW YOU GET A PAYMENT

## 8. How can I get a payment?

You do not need to do anything. If the settlement is approved, a check will be mailed to you at this address, likely before June 1, 2013.

## 9. When would I get my payment?

The Court will hold a hearing at 2:00 p.m. on March 12, 2013, to decide whether to approve the settlement. If the Judge approves the settlement, there may be an appeal. An appeal can take time, perhaps more than a year. Please be patient.

## 10. What am I giving up to get a payment and stay in the Class?

Unless you exclude yourself, you are staying in the class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against Defendants and their Affiliated Entities (as defined in the Settlement) about the legal issues in *this* case. It also means that you are forever barred from bringing suit against Defendants and their Affiliated Entities in the future about the legal issues in this case and that all of the Court's orders will apply to you and legally bind you. You will be bound to a “Release of Claims,” which describes exactly the legal claims that you give up if you get settlement benefits. In short, if you choose to stay in the class, you release your claims (that is, you waive your right to bring suit) for any past or present cause of action, known or unknown, under any law or theory, against Defendants and their Affiliated Entities, based on or in any way relating to the use of Cignassurance accounts to settle benefits claims, pay interest, invest Cignassurance account funds, and keep the profits on those funds. This release also applies to future claims related to the Cignassurance Accounts with Defendants and their Affiliated Entities. If you remain in the class, you will not be barred from bringing suit against Defendants for other claims unrelated to the accounts at issue.

As discussed in the answer to Question 7, part of this settlement includes a release of any claims relating to current balances in Cignassurance accounts. If you currently have a balance in a Cignassurance account, you are giving up the right to sue Defendants and their Affiliated Entities for any claim in the future that they made a profit using your money. Defendants and their Affiliated Entities may make more investment income using your funds than the interest that they pay to you. You will not be able to sue the Defendants and their Affiliated Entities for the profits on the Cignassurance account program. As always, you may choose to close your Cignassurance account or to keep your Cignassurance account open.

#### EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want a payment from this settlement, but you want to keep the right to sue or continue to sue Defendants or their Affiliated Entities on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself, or is sometimes referred to as "opting out" of the Settlement Class.

#### 11. How do I get out of the settlement?

To exclude yourself from the settlement, you must sign the enclosed exclusion form and send it in the enclosed self-addressed, postage-paid envelope. Be sure to include your name, address, telephone number, and your signature. You must **mail** your exclusion request so that it is received no later than January 28, 2013, to:

**OTTE CLASS ACTION SETTLEMENT  
EXCLUSIONS  
SETTLEMENT ADMINISTRATOR  
c/o A.B. DATA, LTD.  
PO BOX 170200  
MILWAUKEE, WI 53217**

You can't exclude yourself on the phone or by email. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Defendants in the future for these same claims.

#### 12. If I don't exclude myself, can I sue Defendants for the same thing later?

You give up any right to sue Defendants or their Affiliated Entities for the claims that this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit if it concerns the same claims that are being settled in this case. **Remember, the exclusion deadline is January 28, 2013.**

#### 13. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, you will not get any money. But, you may sue, continue to sue, or be part of a different lawsuit against Defendants.

#### THE LAWYERS REPRESENTING YOU

#### 14. Do I have a lawyer in this case?

The Court appointed John C. Bell, Jr. and Leroy W. Brigham of Bell & Brigham; Stuart T. Rossman and Arielle Cohen of The National Consumer Law Center; Jeffrey G. Casurella of Law Offices of Jeffrey G. Casurella; M. Scott Barrett of Barrett & Associates; and Cary L. Flitter of Flitter Lorenz, P.C. (collectively, "Class Counsel"), to represent you and other Settlement Class Members. These lawyers are called Class Counsel. You will not be personally charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

#### 15. How will the lawyers be paid?

Class Counsel will ask the Court to award attorneys' fees of up to one-third of the Settlement Fund and for reimbursement of expenses to prosecute this action and administer this settlement, and for an incentive payment of up to five thousand dollars (\$5,000) to the Class Representative, Brenda J. Otte, who was deposed in this action, and, if necessary, an incentive payment of up to one thousand (\$1,000) to any additional named plaintiffs whom the Court approves as class representatives, all to be paid from the Settlement Fund. Attorneys' Fees will be determined by the Court following a hearing and will be based upon the evidence presented and legal principles for the award of fees to attorneys in class actions. Any incentive award to Ms. Otte or any other class representative will be determined by the Court following a hearing and will be based upon the evidence presented (including, for example, a reasonable hourly rate for time that he or she has spent representing the interests of the class) and legal principles for such incentive awards in class actions, plus expenses. The Court may award less than the amounts requested. Defendants have agreed not to oppose the application for an award of attorneys' fees and reimbursement of expenses and the payments to the class representative(s) up to those amounts. The costs of Notice and administration will be paid from the Settlement Fund.

#### OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the settlement or some part of it.

#### 16. How do I tell the Court that I don't like the settlement?

If you're a Settlement Class Member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the settlement in the case of *Brenda J. Otte, et al. v. Life Insurance Company of North America, et al.*, Case No. 09-11537-RGS. Be sure to include your name, address, telephone number, your signature, and the reasons you object to the settlement. **DO NOT CALL THE COURT.** Mail the objection to the Clerk of the Court, with a copy to Class Counsel and a copy to Defendants' Counsel at the following addresses to be received no later than February 26, 2013:

<b>Clerk of Court</b>	<b>Class Counsel</b>	<b>Defendants' Counsel</b>
Marsha Zierk, Clerk for the Honorable Richard G. Stearns	Stuart T. Rossman Arielle Cohen	Jeremy P. Blumenfeld Kasturi Sen
JOHN JOSEPH MOAKLEY U.S. COURTHOUSE 1 Courthouse Way, Suite 2300 Boston, MA 02210	NATIONAL CONSUMER LAW CENTER 7 Winthrop Square, 4th Floor Boston, MA 02110	MORGAN LEWIS & BOCKIUS LLP 1701 Market Street Philadelphia, PA 19103

**17. What's the difference between objecting and excluding?**

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself means telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT'S SETTLEMENT 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 don't have to.

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

The Court will hold a Settlement Hearing on March 12, 2013, at 2:00 p.m. in Courtroom 21, located at the John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Suite 2300, Boston, MA 02210. 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 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. We do not know how long these decisions will take.

The Court has reserved the right to change the date and time of the Settlement Hearing without further notice to the Class. If you would like to attend the hearing, please contact Class Counsel so that they can keep you informed of any changes.

**19. Do I have to come to the hearing?**

No. Class Counsel will answer questions the Judge may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

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

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be received by February 26, 2013, by the Clerk of the Court, Class Counsel, and Defendants' Counsel, at the three addresses noted in the answer to Question 16. You cannot speak at the hearing if you have excluded yourself, or if you do not timely send in a written objection or Notice of Intention to Appear. Speaking at the hearing will not prevent you from receiving a payment out of the settlement.

**IF YOU DO NOTHING**

**21. What happens if I do nothing at all?**

If you do nothing, you may get a check mailed to you from this settlement if it is approved in accordance with the Plan of Allocation.

**GETTING MORE INFORMATION**

**22. Are there more details about the settlement?**

This Notice summarizes the proposed settlement. More details are in a Settlement Stipulation. You can get a copy of the Settlement Stipulation by visiting [OtteClassAction.com](http://OtteClassAction.com)

**23. How do I get more information?**

You can call 800-983-6533 toll free; write to the Settlement Administrator at the address below; or visit the website at [OtteClassAction.com](http://OtteClassAction.com), where you will find answers to common questions about the settlement, as well as other information which will help you determine whether you are a Settlement Class Member and whether you are eligible for a payment.

**OTTE CLASS ACTION SETTLEMENT  
EXCLUSIONS  
SETTLEMENT ADMINISTRATOR  
c/o A.B. DATA, LTD.  
PO BOX 170200  
MILWAUKEE, WI 53217**



**OTTE CLASS ACTION OPT-OUT-OF-SETTLEMENT FORM**

**LAST NAME:**

\_\_\_\_\_

**FIRST NAME:**

\_\_\_\_\_

**STREET ADDRESS:**

\_\_\_\_\_

**CITY:**

**STATE:**

\_\_\_\_\_

**ZIP CODE:**

\_\_\_\_\_

**TELEPHONE NUMBER WITH AREA CODE (DAY):**

\_\_\_\_\_

**TELEPHONE NUMBER WITH AREA CODE (NIGHT):**

\_\_\_\_\_

**EMAIL ADDRESS:**

\_\_\_\_\_

If you **do not want to participate** in this settlement in the above-referenced action, **you must complete** this Opt-Out-of-Settlement Form and mail it so that it is postmarked no later than **January, 28, 2013**, to

**OTTE CLASS ACTION SETTLEMENT  
EXCLUSIONS  
SETTLEMENT ADMINISTRATOR  
c/o A.B. DATA, LTD.  
PO BOX 170200  
MILWAUKEE, WI 53217**

**STATEMENT TO OPT OUT OF OTTE CLASS ACTION**

I have read and understand the Notice and hereby state that **I do not want to participate in this settlement**. I understand that by completing and submitting this form, I will **not** be entitled to any payment under this settlement.

\_\_\_\_\_  
Date (mm/dd/yyyy)

\_\_\_\_\_  
Signature

**If you move after submitting this Opt-Out-of-Settlement Form, please send a letter with your new address to the address above.**

**IF YOU WISH TO PARTICIPATE IN THE SETTLEMENT, PLEASE DO NOT SEND IN THIS FORM. IF YOU DO NOTHING, YOU WILL REMAIN PART OF THE SETTLEMENT AND MAY BE ENTITLED TO PAYMENT UNDER THE SETTLEMENT STIPULATION.**

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OTTE CLASS ACTION SETTLEMENT  
SETTLEMENT ADMINISTRATOR  
c/o A.B. DATA, LTD.  
PO BOX 170200  
MILWAUKEE, WI 53217

**COURT-APPROVED NOTICE REGARDING  
BRENDA J. OTTE, ET AL. V. LIFE INSURANCE COMPANY OF NORTH AMERICA, ET AL.**

**DATED MATERIAL—OPEN IMMEDIATELY**  
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