

NOTICE OF CLASS ACTION SETTLEMENT REGARDING

*Churchill et al. v. Cigna Corporation et al., United States District Court
for the Eastern District of Pennsylvania, Case No. 10-cv-06911*

THIS NOTICE WAS MAILED ON NOVEMBER 26, 2013

*** A federal court authorized this notice – This is NOT a solicitation from a lawyer ***

**ATTENTION ALL PERSONS INSURED BY HEALTH INSURANCE PLANS
OFFERED OR ADMINISTERED BY CIGNA CORPORATION OR ITS
SUBSIDIARIES OR AFFILIATES (HEREINAFTER, “CIGNA COMPANIES”)**

1. Who Should Read this Notice

Please read this notice carefully if you fall within one of the following categories:

- (a) You (1) are or were enrolled in a plan administered by one of the above named Cigna companies, or insured under health insurance coverage offered by a Cigna company, and (2) made a claim (including a request for pre-service authorization) for coverage for Applied Behavioral Analysis (“ABA”) therapy for Autism Spectrum Disorder that was denied between **November 24, 2004 and October 31, 2013**, and (3) which was denied on the grounds that such therapy is deemed to be investigative or experimental; **OR**,
- (b) You (1) participated in the NetApp Medical Plan, and (2) your coverage or rider provided by or through one of the Cigna companies for ABA for autism spectrum disorder was terminated or discontinued as of July 1, 2011, or you had a claim for ABA denied between **July 1, 2011 and October 31, 2013** regardless of the stated reason for the denial.

A class action lawsuit has been filed against the Cigna companies alleging that their denial of coverage for ABA therapy based on the rationale that such therapy is experimental or investigational is a violation of the federal Employee Retirement Income Security Act and the terms of the plans. The case is called *Churchill v. Cigna Corp.*, Case No. 10-CV-06911, pending before the Honorable Juan R. Sanchez. That lawsuit has been settled and a federal judge has recently given preliminary approval to the settlement. If you received this Notice, you may be entitled to monetary compensation.

2. What a Class Action Lawsuit Means

In a class action lawsuit, one or more persons called “class representatives” sue on behalf of other people who have similar claims. All of these persons, together, are known as a “class” or “class members.” The class members are the plaintiffs in the lawsuit, and the entities being sued are the defendants. In a class action, one court resolves the issues for everyone in the class, except for those persons who choose to be excluded from the class.

3. What this Lawsuit is About

This lawsuit concerns the legality of Cigna’s denial of insurance coverage for ABA therapy based on Cigna’s rationale that such therapy is experimental or investigational. Plaintiffs argue that ABA therapy is scientifically established and is neither experimental nor investigational. Therefore, Plaintiffs allege that Cigna has violated federal law and the plans by denying coverage for ABA therapy based on this rationale. Cigna denies these allegations.

4. Definition of the Class Certified

The Court has certified the following class for settlement purposes: the individuals identified on the Class List filed under seal with the Court, and their parents, guardians, and other individuals through whom they have or had health insurance coverage under a plan insured or administered by one of the Defendants. The Class List is intended to identify those who meet the following criteria:

(a) All individuals who: (1) are or were enrolled in a plan administered by a Cigna Defendant, or insured under health insurance coverage offered by a Cigna Defendant in connection with a plan, and (2) made a claim (including a request for pre-service authorization) for ABA for autism spectrum disorder that was denied between **November 24, 2004 and October 31, 2013**, and (3) where one of the stated reasons for the denial was that such treatment was deemed to be investigative or experimental; OR,

(b) All individuals who: (1) participated in the NetApp Medical Plan, and (2) whose coverage or rider provided by or through Cigna for ABA for autism spectrum disorder was terminated or discontinued as of July 1, 2011, or who had a claim for ABA denied between **July 1, 2011 and October 31, 2013** regardless of the stated reason for the denial.

5. The Settlement of the Class Action

The parties have reached a settlement of this class action, and the settlement has been preliminarily approved by the Court. What follows is a summary of the primary terms of the settlement. Please note that not all of the terms of the settlement are set forth in this Notice. The complete terms of the settlement are set forth in a document entitled "Stipulation of Settlement," which you may request directly from the Settlement Administrator identified below. The primary terms of the settlement are as follows:

- Within ten days after entry of the Court's order preliminarily approving the settlement, Defendants will file under seal the Class List, which lists the individuals Defendants are able to identify using their best efforts as members of the settlement class. This Notice has been provided to individuals on the Class List. There are 381 individuals on the Class List.
- Class members who would like to be excluded from the class must request exclusion, if at all, by returning the Exclusion Request form attached to this Notice to the Settlement Administrator (identified below) by January 10, 2014;
- Within ten days after the Effective Date of the settlement, Defendants will pay the Settlement Amount, not to exceed \$2.4 million, to Class Counsel's trust account;
- Defendants will pay an Incentive Amount of \$27,500 (subject to court approval) to each of the named Plaintiffs;
- The Settlement Amount will first be used to pay Class Counsel's costs and expenses. Class Counsel will then be paid attorneys' fees equal to 33.3% of the remaining settlement amount. The Settlement Amount remaining will constitute the Settlement Fund and will be transferred to the Settlement Administrator;
- The Settlement Administrator will provide class members with notice of how to submit a claim against the settlement fund, and class members will have five months in which to submit a settlement claim. The Settlement Administrator will process all claims;
- The Settlement Administrator will determine the individual share to be received by each settling class member. Each settling class member's individual share will reflect the class member's proportional share of the settlement fund based on the amount of ABA therapy costs incurred by the class member. Further, the individual share for each settling class member, whether or not the settling class member submits a settlement claim, will be at least

\$300. The Settlement Administrator will distribute the individual share to each settling class member by way of individual, lump-sum payments;

- Any individual who is not included in the Class List may choose to participate in the settlement, and be bound by the Settlement, provided that such individual meets certain qualifications, and provided that the individuals' participation does not result in any settlement class members receiving less than \$300; and
- The settlement class members release the Defendants and their affiliated entities from all Settled Claims, which is defined in the Stipulation of Settlement.

6. Fairness Hearing

The Court has scheduled a hearing at the United States District Court, 601 Market St., Philadelphia, PA 19106, at 10:00 a.m. on February 19, 2014. The purpose of the hearing is to assist the Court in determining whether the proposed settlement is fair, reasonable, and adequate, and in the best interests of the class, and whether to give final approval to the settlement. You do not have to attend the hearing, but may do so, either with or without your personal lawyer. You have the right to enter an appearance in this case through an attorney. Any class member may object to the settlement at the hearing.

7. The Settlement Administrator

The Settlement Administrator for this class action settlement is:

**Churchill v. Cigna Settlement Administrator
c/o Class Action Administration, Inc.
PO Box 6848
Broomfield, CO 80021**

8. If You Remain a Member of the Plaintiff Class

You do not have to do anything at this time, in order to remain a member of the class.

If you remain a member of the class:

- You will be able to share in the benefits of the settlement;
- You will be bound by the settlement and judgment in this lawsuit; and
- You will not be able to file any other lawsuit against any of the Defendants covering the same issues as this lawsuit, because your claims based on these issues will be finally resolved and released in this lawsuit.

If you remain a member of the Class, you will be represented by Class Counsel. You will not have to pay any money out-of-pocket to Class Counsel. As set forth above, Class Counsel will be compensated through a percentage of the total amount recovered for the class.

9. If You Exclude Yourself from the Plaintiff Class

You have the right to be excluded from the class if you so desire. To exclude yourself from the class, you must fully and properly complete and return the enclosed Exclusion Request form **by January 10, 2014**.

If you choose to exclude yourself from the class:

- You will not be able to share in any benefits of the settlement;
- You will not be bound by the settlement and judgment in this lawsuit; and
- You may file your own lawsuit against any of the Defendants covering the same issues as this lawsuit, subject to any statute of limitation or other defenses that Defendants may have against you.

10. If You Object to the Settlement

You have the right to object to the settlement if you disagree with some or all aspects of it. To make an objection, you must explain your objection and the reasons for it – including any evidence or argument you wish to present – in writing to the Court at the following address:

Clerk
 United States District Court
 601 Market St., Philadelphia, PA 19106
 RE: *Churchill v. Cigna Corp.*, Case No. 10-CV-06911

Copies of any objections and any supporting materials must also be submitted to the attorneys representing the Class (at the address identified in No. 11 below) and to the attorneys for the Cigna Companies:

Jeremy Blumenfeld
 Morgan Lewis & Bockius LLP
 1701 Market Street, Philadelphia, PA 19103

Any objections must be filed with the Court and served on the lawyers **by January 10, 2014**.

If you submit a written objection, you also have the right to speak at the hearing described in No. 6 above to explain your objection. You do not need to attend in person to have your objection considered.

If you object to the settlement but do not make a request to exclude yourself from it, then you still will be bound by the Settlement if the Court approves the Settlement.

11. The Attorneys Representing the Plaintiff Class

The Plaintiff Class is represented by the following attorneys:

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