

STATE OF NEW MEXICO
COUNTY OF BERNALILLO
SECOND JUDICIAL DISTRICT COURT

SHAWN V. MILLS, for himself and
all others similarly situated,

Plaintiff,

Case No. CV 2003-01471

v.

ZURICH LIFE INSURANCE COMPANY
OF AMERICA,

Defendant.

NOTICE OF CLASS ACTION AND SETTLEMENT

PLEASE READ THIS ENTIRE NOTICE

It contains important information about the class action lawsuit and your settlement benefits.

**This Settlement will not affect your current life insurance
coverage if your policy is currently in force
and required premiums are paid**

Why Did You Receive This Notice?

You received this Notice because Zurich Life Insurance Company of America, now known as Chase Insurance Life Company ("Zurich Life") records show that you are a member of a class of policyholders who will be affected by the nationwide settlement of a class action lawsuit. The Court has given its preliminary approval to the Settlement, and has ordered that this Notice be sent to you and all other Class Members so that you may consider your options.

Your options are explained in detail in this Notice, but are summarized as follows:

1. You may do nothing at this time, in which case, you will remain in the Class and receive the benefits of the Settlement.

If the Court gives its final approval to the Settlement, you will receive a Settlement Check sent to you by First Class Mail.

2. You may remove yourself from the Class by "opting out."

3. You may stay in the Class, but file an objection to the Settlement.

Note: You may not object to the Settlement if you opt-out.

What Is This Case About?

1. Plaintiff's allegations against Zurich Life

A. Plaintiff claims that Class Members who paid premiums monthly (including Pre-Authorized Checking), quarterly or semi-annually paid more per year than if they paid their premiums annually. Plaintiff claims that such additional charges were not allowed by the language of your insurance policy and are a breach of your contract. The difference between a single annual premium and the sum of the monthly, quarterly or semi-annual premium payments paid within a single policy year or proportionate part of policy year is referred to as the "Dollar Difference."

B. Plaintiff also claims that Zurich Life should have disclosed to Class Members the Dollar Differences between the amount of a single annual premium payment and the total premium payments for a policy year, when premiums are paid monthly, quarterly, or semi-annually, so that Class Members could make a more informed choice about which payment option to select.

C. Plaintiff also claims that the Dollar Differences between paying annually and paying monthly, quarterly, or semi-annually can be calculated as an annual percentage rate ("APR") or as an annual interest rate ("AIR"). Plaintiff claims that Zurich Life should have disclosed to Class Members the APR's or AIR's of the monthly, quarterly, and semi-annual premium payments.

2. Zurich Life's response to Plaintiff's allegations

A. Zurich Life asserts that all policyholders paid only those premiums that they agreed to pay as specified in their insurance policies. Zurich Life asserts that the amount of premiums is clearly set forth in each policy, and Zurich Life notes that all policies have been approved by the insurance regulator for each state where it was sold.

- B. Zurich Life also asserts that it fully and properly described premium payment options and the cost of paying premiums annually, semi-annually, quarterly or monthly and that the Dollar Differences are apparent to its policyholders.
- C. Zurich Life also asserts that it is inappropriate to characterize premium payment options as having an APR or AIR because insurance premiums are not a debt.

What Does The Settlement Provide?

The Settlement provides Class Members with a Settlement Check and the disclosures described in this Notice. If you do not opt out of the Settlement, you will receive your Settlement Check by First Class Mail (please see "Compensation to the Class," below).

In exchange for this benefit, the Settlement provides Zurich Life and various related parties with a release of liability on behalf of the Class Members (please see "What are the Consequences of the Settlement," below).

Compensation to the Class:

If the Court grants Final Approval of the Settlement, you will receive a Settlement Check. As part of this Settlement, Zurich Life has agreed to pay \$7,145,007.25 ("Settlement Funds") to resolve the Class Claims (as defined below). A portion of those funds will be used to pay Class Counsels' fees and out-of-pocket litigation expenses, and the Class Representative's fee.

The amount of your Settlement Check will be calculated based on the proportion of Dollar Difference you paid during the Period of March 1, 1997 through August 31, 2005 compared to the total amount of Dollar Difference paid by the Class, after deducting the fees and costs described in the paragraph above. For purposes of calculating your cash payment, "Dollar Difference" means the difference between a single annual premium payment and the total of the monthly, quarterly or semi-annual premium payments made within a single policy year or proportionate part of a policy year for years in which Class Members paid Modal Premiums for less than a full year.

Written Disclosures:

Also in connection with the Settlement, Zurich Life is making the following disclosures about Modal Premiums. In this context, "Modal Premiums" means the premiums paid for an insurance policy other than payment by a single Annual Premium, including premium payments made monthly (including Pre-Authorized Checking), quarterly, or semi-annually.

Disclosure Statement About Your Insurance Policy Premium Payment Options

As a policyholder of certain life insurance policies, under the terms of your policy, you have a choice among several payment options or modes for paying your premium (annual, semi-annual, quarterly, or monthly). Each mode other than annual results in a higher total yearly premium cost. The additional costs vary depending on your particular policy, your mode of payment, and the total amount of your annual premium payment. See your policy specifications page for your premium options. Also, as stated in your policy, you have the right to change your payment mode, among the modes available, during the life of your policy. If you chose or choose a mode that calls for payment more frequently than annually, and you would like to know how much more it costs per policy year, please call the Zurich Life customer service department at 1-800-321-9313 for any questions or requests.

The Zurich Life customer service department can also tell you the dollar amount of each payment option under your policy and the Dollar Differences between all such payment options. Finally, for policies issued on or after January 1, 1995, the Zurich Life customer service department can also tell you the modal factors which apply to your policy, if you request that information ("Modal Factors" are described below.) For Class Members whose policies were issued in Pennsylvania, the modal factors applicable to the Pennsylvania policies are already disclosed in the policies.

In addition, please note that if your policy lists a Guaranteed Maximum Annual Premium or a Guaranteed Maximum Premium, the amount shown is the maximum you will pay per year only if you make a single annual premium payment per year, rather than paying semi-annually, quarterly, or monthly (including Pre-Authorized Checking). Any guarantees of premiums listed do not include the additional cost of paying more frequently than annually.

How To Change Your Premium Payment Mode

You have the right to change your premium payment mode during the life of your insurance policy. If you wish to change your payment mode, please contact Zurich Life either by telephone or by mail. Zurich Life's customer service toll-free telephone number to use is: 1-800-321-9313. Zurich Life's mailing address to change your payment mode is Customer Service, 2500 Westfield, Elgin, IL 60123.

Plaintiff claims that Zurich Life should have disclosed the annual percentage rate ("APR") or annual interest rate ("AIR") associated with each payment mode or option other than a single annual payment. According to Plaintiff, this is necessary because most policyholders are unable to accurately calculate the APR/AIR information and such APR/AIR information may be helpful in comparing the financing costs of other alternatives for paying your premiums, such as savings accounts, credit cards, line of credit loans or available cash.

The calculation of Modal Premiums is based on modal factors. The modal factor is the ratio of the dollar amount of the monthly, quarterly, or semi-annual payment to the single annual premium. The modal factor applicable to your policy did not change after your policy was issued. The monthly modal factor for the Zurich Life policies at issue in this Settlement is .087 (except for Policy Form ZT100, which has a modal factor of .095). Thus, if the single annual premium on a Zurich Life Policy (other than ZT100) was \$1,000, the monthly premium would be .087 of that amount or \$87.00. The quarterly modal factor is .30 on the Zurich Life Policies at issue in this Settlement; the semi-annual modal factor is .52 on the Zurich Life Policies at issue in this Settlement.

Plaintiff claims that APRs and AIRs can be calculated from modal factors. Plaintiff claims that Zurich Life should disclose the APR/AIR associated with Modal Premiums. Zurich Life, however, asserts that APRs do not apply to Modal Premiums paid on life insurance policies. If you decide that an APR/AIR calculation would be helpful to you, you may visit the APR calculator at www.millsclassaction.com, which Class Counsel has established for your convenience. This website includes the Settlement Agreement. This website also includes an APR calculator which you can use to determine the APRs which Plaintiff claims apply to the payment options for your Zurich Life policy or policies. As set forth in your policy, you continue to have the right to change your payment options, including the right to switch to a single annual payment and avoid any additional charge. Zurich Life asserts that no APR/AIR disclosure is appropriate because there is no debt involved in paying insurance premiums and that such information is not helpful and is even misleading, especially to those Class Members who understood and accepted the charges associated with paying their premiums more frequently than on an annual basis. The website sponsored by Class Counsel gives you the option to decide if the APR disclosure is important to you.

The Fees and Costs of the Litigation and Settlement:

Class Counsels' fees will be paid out of the \$7,145,007.25 that Zurich Life has agreed to pay to resolve the Class Claims. "Class Counsel" refers to five law firms representing members of the Class. Class Counsel has not been paid for its work in this lawsuit and has advanced the costs of prosecuting this lawsuit which was filed in 2003. Class Counsel intends to ask the Court to award them an amount not to exceed 30% of the Settlement Funds plus gross receipts taxes thereon to compensate them for representing the Class. Class Counsel also will ask the Court to award an amount not to exceed \$100,000 from the Settlement Funds for litigation expenses which they have advanced. Class Counsel also will ask the Court to award a Class Representative Fee to Plaintiff Shawn V. Mills of \$30,000 from the Settlement Funds. Class Counsel believe that the nature of the claims asserted, the complexity of the legal and factual issues involved, the time Class Counsel invested in developing, researching, and litigating the issues in this lawsuit, the financial burden they assumed in prosecuting these claims, and the value of the Settlement recovered for the Class all support the attorneys' fees to be requested.

To the extent possible, the Settlement Administrative Costs will be paid out of the interest or earnings on the Settlement Funds, and if necessary, out of any Undistributed Settlement Funds attributable to uncashed or undeliverable checks. If the sum of the interest or earnings on the Settlement Funds and the Undistributed Settlement Funds is not sufficient to pay all Settlement Administrative Costs, Zurich Life has agreed to pay any such deficit in an amount not to exceed \$250,000 and any remaining deficit above that amount will be paid from the attorney fees awarded by the Court to Class Counsel. If Undistributed Settlement Funds remain after the payment of the Settlement Administrative Costs, any such excess shall be refunded to Zurich Life.

What Are The Consequences Of The Settlement?

1. If the Court approves the Settlement Agreement, all of the following will occur:
 - A. The litigation will be dismissed with prejudice.
 - B. The Released Zurich Life Parties will be released from the "Class Claims" asserted in this lawsuit on behalf of all Class Members, except those who opt-out. "Class Claims" and the "Release" are defined below.
 - C. Class Members will be entitled to receive a Settlement Check, the Written Disclosures contained in this Notice, and the additional APR disclosures available at www.millsclassaction.com.
2. "Class Claims" mean the following:

All claims of Class Members against Released Zurich Life Parties insofar as they apply to the Subject Insurance Policies (including without limitation all claims which were brought in the Complaint), and which arise directly or indirectly out of, or are related to, the following (whether past, present, or future): (i) Zurich Life's charging or collecting the Dollar Difference associated with Modal Premiums at any time in the past, or in the future; or (ii) Zurich Life's alleged failure to make disclosures of any kind, whether written or oral, which directly or indirectly relate to Modal Premiums, including but not limited to modal factors, modal fees, Dollar Differences, alleged APR or AIR; or (iii) Zurich Life's alleged false, deceptive or misleading acts or practices directly or indirectly relating to Modal Premiums, APRs, AIRs, or the Dollar Difference charged or collected in excess of alleged guaranteed premiums as a result of charging or collecting Modal Premiums; or (iv) Zurich Life's alleged breach of its contracts of insurance, which directly or indirectly relate to the Dollar Difference associated with Modal Premiums or APRs or AIRs; or (v) the fact that it costs more to pay Modal Premiums than it does to pay a single annual premium; or (vi) any other allegations made or which could have been made by the class

in this case insofar as such allegations relate to the Dollar Difference associated with Modal Premiums, disclosures related to Modal Premiums, any alleged breaches of contract related to the Dollar Difference associated with Modal Premiums, or alleged breaches of premium guarantees as a result of charging or collecting the Dollar Difference associated with Modal Premiums.

3. *"Released Zurich Life Parties"* means the following:

Chase Insurance Life Company (formerly known as Zurich Life Insurance Company Of America), its past, present, and future agents, general agents, brokers, anyone who sold Subject Insurance Policies, representatives, heirs, successors, predecessors, assigns, officers, stockholders, directors, attorneys, employees, partners, independent contractors, consultants, experts, administrators, insurers, reinsurers, and indemnitors, to the extent, if any, that any of the above listed persons or entities are, or may be, liable or responsible for Class Claims. This term also includes the past, present, and future affiliates, parents and subsidiaries of Chase Insurance Life Company including, but not limited to, Bank One Corporation, JPMorgan Chase & Co., and prospective purchaser Protective Life, but only to the extent such entity is or may be liable or responsible for the Class Claims. Such affiliates, parents and subsidiaries are not "Released Zurich Life Parties" with respect to insurance policies any of them may have issued or sold which are not Subject Insurance Policies.

4. *Release:*

(a) As of the Effective Date, the Class Representative and each of the Settlement Class Members, together with and on behalf of each of their respective spouses, marital communities, beneficiaries, heirs, executors, administrators, predecessors, successors, representatives, assigns and all persons claiming by or through them, or any and all of them, for the exchange of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, shall release and forever discharge the Released Zurich Life Parties from: (i) any and all Class Claims however they may be expressed, which are known or unknown, which they have had, may have had, may have currently or may have in the future against any of the Released Zurich Life Parties or any combination of them; (ii) any claims arising out of any and all acts, failures to act, omissions, facts, matters, events, transactions, occurrences, or oral or written statements or representations made or allegedly made in connection with, or directly or indirectly relating to the Settlement Agreement, except that nothing in this Release shall preclude any action to enforce the terms of the Settlement; and (iii) any and all claims for attorneys' fees, costs, or disbursements incurred by Class Counsel, other counsel, or by Plaintiffs or the Settlement Class Members, or any of them, in connection with or related in any manner to the Action, the Settlement of the Action or the administration of such Settlement;

(b) *Covenant Not to Sue.* The Class Members covenant that they shall not commence or maintain a legal proceeding, whether at law or in equity, against the Released Zurich Life Parties relating to past, current, or future payments of Modal Premiums that is based on the same theories as the Class Claims, including but not limited to such claims as pertain to any Modal Premiums paid in the future. The Class Members specifically covenant that they will not commence or maintain a legal proceeding against the Released Zurich Life Parties relating to the Class Claims;

(c) *Effect of Release.* This Settlement may be pleaded as a full and complete defense to any action, suit, or other proceeding that may be instituted, prosecuted, or attempted against any Released Zurich Life Party with respect to any of the Class Claims. Class Counsel and Zurich Life agree that any such proceeding brought in violation of this Release would cause irreparable injury to the party against whom it is brought and that the District Court or any court of competent jurisdiction may enter an injunction restraining prosecution thereof. Class Counsel and Zurich Life further agree that the Settlement Agreement may be pleaded as necessary for the purpose of enforcing this Settlement Agreement in court;

(d) *Unknown Class Claims Released.* Notwithstanding any statute or provision of the common law which provides that a general release does not extend to claims which a releasor does not know or suspect to exist at the time of executing the release, the releases provided for in this section shall be of all Class Claims, known and unknown. The Settlement Class Members shall be deemed to knowingly and voluntarily waive, to the fullest extent permitted by law, the provisions, rights, and benefits of any federal law or the law of any state or territory or common law in the United States that would in any way limit the application of the releases to known or suspected Class Claims. The Settlement Class Members and Class Counsel acknowledge and agree that this waiver is an essential and material term of the Settlement Agreement, and that, without such waiver, the Settlement Agreement would not have been entered into. The Settlement Class Members through Class Counsel are deemed to acknowledge the existence and effect of Section 1542 of the California Civil Code, and similar provisions in other states, which provides as follows: **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.** As to the Class Claims, the Settlement Class Members shall be deemed to, and Class Counsel on behalf of each Settlement Class Member, shall expressly, waive any and all rights each may have under California Civil Code Section 1542, or any similar statute, regulation or common law principle in any other jurisdiction. In connection with such waiver and relinquishment, the Settlement Class Members and Class Counsel acknowledge that they are aware that they or their attorneys may hereafter discover Class Claims or facts related to Class Claims in addition to or different from those

which they now know or believe to exist with respect to the subject matter of this Settlement Agreement, but that it is their intention to hereby fully, finally, and forever settle and release all of the Class Claims, known or unknown, suspected or unsuspected which exist, hereafter may exist or might have existed (whether or not previously or currently asserted in the Action). In furtherance of such intention, the releases herein given shall be and remain in effect as a full and complete general release notwithstanding the discovery or existence of any such additional different Class Claims or facts related to Class Claims;

- (e) If any Class Member brings any claim in any forum against any of the Released Zurich Life Parties that is in violation of the Release or the Covenant Not to Sue and fails to dismiss that claim within fifteen (15) days of notice that such claim is in violation of the Settlement Agreement, then that Class Member will be responsible for all fees and costs incurred by any Released Zurich Life Party in connection with defending against that claim; and
- (f) The Class Members acknowledge that neither the Settlement Agreement nor any of the relief offered pursuant thereto alters the contractual terms of their Zurich Life policies, including without limitation, their obligation to pay premiums on their policies. Class Members specifically agree that in order to keep Zurich Life policies, they are obligated to pay in the future the Modal Premiums specified in their policies in the full amount specified therein (whether designated as first-year premium or otherwise) even though the annualized amounts of those Modal Premiums exceed the Annual Premiums set forth in the policies and notwithstanding that the total yearly amount of such premium exceeds any guaranteed premium amount. Class Members continue to have the option set forth in their policies to change their premium payment mode.

Value Of The Settlement Compared To Potential Recovery Of The Lawsuit

As you think about your options, it is helpful to consider the value of the Settlement compared to the potential recovery if the lawsuit went to trial.

The value of the Settlement is \$7,145,007.25 plus any interest earned on that sum. This amount includes Class Counsel's attorneys' fees and litigation expenses, the Class Representative's Fee and the costs of administering the Settlement. It does not include the value of the APR and other disclosures being made to Class Members. Class Counsel believes such disclosures have substantial value, because they will assist Class Members in making more informed decisions concerning premium payments which can save them money.

If this case is not settled and instead went to trial, the exact amount of any Class Member's potential recovery is not known. But if the case went to trial, the Plaintiff would ask that Zurich Life be ordered to pay damages to the Class in the form of the amount of modal premium charges it collected from Class Members, plus prejudgment interest on those charges. These modal premium charges are the Dollar Difference of premium paid by Class Members who paid monthly, quarterly or semiannually. Zurich Life states that, for the period March 1, 1997 through August 31, 2005, the Dollar Difference of the Modal Premium is \$27,215,127.05 from Class Members who paid their premiums monthly, quarterly or semi-annually under the Subject Insurance Policies. In addition to that sum, the Class would seek an award of prejudgment interest. Prejudgment interest is the interest that would be earned from the time the modal premium charge is paid by the Class Member until the time when the Court enters judgment for the Class. Zurich Life disagrees that the Class would have been able to win at trial and believes the Class would have recovered nothing because the premiums actually paid were those set forth in the policies. Furthermore, Zurich Life contends that it would be entitled to offset the amount of any judgment by what it contends are all costs and expenses attributable to accepting monthly, quarterly, and semi-annual premium payments instead of single annual premium payments. Zurich Life contends these offsets include lost interest on single annual premium payment amounts, the costs of administering modal premium payments, and the costs of increased lapse rates attributable to modal premium payers, among others. The Class disputes Zurich Life's contention that such an off-set would be allowed. Zurich Life further contends that any award to the Class would have to be offset by the amount of the benefits that Class Members received by having the option to pay their premiums monthly, quarterly, or semi-annually. Zurich Life also contends that the Court would not award prejudgment interest to the Class. The Class disputes those contentions. Finally, if the Class were able to win its case, the costs of the lawsuit and the attorneys' fees for the attorneys representing the Class would be taken out of any recovery by the Class.

What Are Your Options?

You have three options:

1. **You Can Stay In The Class.** If you choose this option, you don't need to do anything. If the Court approves the Settlement, you automatically are in the Class and get the benefits of the Settlement. After the Settlement is Final, you will automatically receive a Settlement Check as described in this Notice.
2. **You Can Opt-Out of the Class.** You may choose to remove yourself from the Class by submitting a timely Opt-Out Notice, as explained below. If an insurance policy covered by this Settlement has more than one Owner, and one Owner submits a proper Opt-Out Notice regarding that policy, all other Owners will be treated as if they had opted-out with regard to that policy also.
3. **You Can Stay In the Class, But Object to the Settlement.** You may object to the Settlement if you do not opt-out. The procedure for objecting is explained below.

How to Opt-Out:

If you want to opt-out, here is what you **must** do:

(A) Prepare an Opt-Out Notice in writing. The Notice **must** contain

- (1) Your name and address;
- (2) The policy number;
- (3) A statement that you want to opt-out of the Settlement; and
- (4) Your signature.

(B) Mail your Opt-Out Notice, postmarked no later than August 18, 2006 to: Mills Settlement Administrator, c/o Rust Consulting, Inc., P.O. Box 1836, Faribault, MN 55021-1884.

If you submit an Opt-Out Notice and then change your mind, you can revoke the Opt-Out Notice by sending a statement in writing, with all the same information, to the address above, stating that you want to revoke your Opt-Out Notice. Your revocation will be good if it is received before the Final Fairness Hearing on September 7, 2006. The Settlement Administrator will provide the names of the Opt-Outs to Class Counsel and to Zurich Life Counsel no later than August 28, 2006 and to the Court by September 5, 2006.

The Following are Important Things to Remember About Opting-Out:

1. If you Opt-Out, you will not receive a Settlement Check, and you cannot object to the Settlement.
2. If you do not Opt-Out, you will be a member of the Class, and you will receive a Settlement Check.

How to Object:

If you want to object to the Settlement, here is what you **must** do:

(A) Prepare a written objection. The objection **must** contain:

- (1) Your name, address and daytime telephone number;
- (2) Your Social Security number;
- (3) Your policy number;
- (4) A detailed statement of your objection, a summary of any legal or factual grounds you want the Court to consider, a detailed description of any documents or other evidence you want the Court to consider; if you want the Court to consider the opinion or testimony of any witnesses, you must include the name, address, and telephone number of the witness and a summary of his or her anticipated opinion or testimony;
- (5) A statement that you have not opted-out; and
- (6) Your Signature.

(B) Mail your objection, postmarked no later than August 18, 2006 to:

- (1) Class Counsel, Eaves & Mendenhall P.A., Attn: Karen S. Mendenhall, Esq. P.O. Box 35670, Albuquerque, New Mexico 87176; and
- (2) Zurich Life's Counsel, J. Kevin McCall, Esq. and Suzanne J. Prysak, Esq., Jenner & Block LLP, One IBM Plaza, Chicago, IL 60611.

There are Four Important Things to Remember About Objecting:

1. If you opt-out, you can't object;
2. If your objection is not timely, it may not be considered by the Court;
3. You do not have to hire a lawyer to object, but you can if you want to. If you hire a lawyer, you are responsible for paying your lawyer. Your lawyer must file a notice of appearance together with your objection in compliance with Paragraph 3(A) above, with the Clerk of the Court no later than August 18, 2006, and must serve copies of the notice and the objection on Class Counsel and Zurich Life's Counsel at the addresses set forth above, postmarked no later than August 18, 2006.
4. If you are not represented by a lawyer and want to appear and address the Court at the Final Fairness Hearing, you must file with the Court a Notice of Intent to Appear and serve Class Counsel and Zurich Life's Counsel at the above address no later than August 18, 2006. If you are represented by a lawyer and you, your lawyer, or both of you want to appear and address the Court at the Final Fairness Hearing, your lawyer must file with the Court a Notice of Intent to Appear and serve Class Counsel and Zurich Life's Counsel at the above addresses no later than August 18, 2006. If you or your lawyer intend to enter an appearance and address the Court, you and your lawyer are required to comply with all applicable Court Rules. A Notice of Intent to Appear filed by you or your lawyer must include a copy of your objection.

What Is The Final Fairness Hearing, And When Is It?

A Final Fairness Hearing will be held at 9:00 a.m. on September 7, 2006, before the Honorable Linda M. Vanzi, in her courtroom at the Second Judicial District Court, which is located at 400 Lomas, NW, Albuquerque, New Mexico 87103. The purpose of the hearing is to determine:

- (1) whether the Settlement is fair, adequate and reasonable, and in the best interests of Class Members;
- (2) whether the Court should enter a Final Order approving the Settlement, dismissing with prejudice and on the merits the claims against Zurich Life, and releasing the Class Claims against the Zurich Life Released Parties;
- (3) whether the Court should approve the applications for attorneys' fees and reimbursement of costs which will be filed by Class Counsel; and
- (4) whether the Court should approve the application for paying a class representative fee to the Class Representative.

The Final Fairness Hearing may be postponed or adjourned from time to time by the Court, without further notice.

The Court may approve the Settlement, decline to approve the Settlement, or it may approve the Settlement with changes that the parties must then agree upon but without further notice to the members of the Class.

Who You Can Contact For More Information

If you have questions about the Settlement or the lawsuit, you can call the Settlement Administrator up until the date of the Final Fairness Hearing at 1-800-657-1151, or you may write the Settlement Administrator at: Mills Settlement Administrator, c/o Rust Consulting, Inc., P.O. Box 1836, Faribault, MN 55021-1884.

This Notice is only a summary of the terms of the Settlement Agreement. The actual Settlement Agreement sets forth the complete terms of this Settlement. The Settlement Agreement and the other pleadings in this matter are on file in the Office of the Clerk of the Second Judicial District Court, Bernalillo County, Albuquerque, New Mexico 87103 and are available for your review there during regular business hours. The Settlement Agreement and some additional information also is available at www.millsclassaction.com.

You may seek the advice and guidance of your own attorney if you desire. In any event, ***PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK FOR MORE INFORMATION.***

By Order of the Second Judicial District Court of the State of New Mexico.

Dated: April 24, 2006

The Honorable Linda M. Vanzi, Judge
Second Judicial District Court, Bernalillo County,
Albuquerque, New Mexico