

If You Treated An Illinois Workers' Compensation Patient And Your Bill Was Reduced By A PPO Discount, You May Be Entitled To Benefits Under This Settlement. Please Read This Notice Carefully, As It Affects Your Legal Rights.

*The Circuit Court for the Twentieth Judicial District, St. Clair County, Illinois, authorized this Notice.
This is not a solicitation from a lawyer.*

- This Settlement concerns a lawsuit alleging that CNA improperly discounted the bills of licensed healthcare providers who treated Illinois workers' compensation claimants by taking PPO discounts.
- Under the terms of the Settlement, Class Members may obtain a cash payment as compensation for the PPO discounts taken by CNA. CNA is a trade name used by a number of affiliated insurance companies. A complete list of the CNA companies participating in this Settlement is attached at the back of this Notice.
- Your legal rights are affected whether you act or don't act. Please read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	If you do nothing and the Court grants final approval of the Settlement, you will automatically be included in the Settlement. This means you are bound by the Court's orders in the case and give up your right to be part of any lawsuit concerning the claims in this case. You will provide a Release to CNA of any claim you might have. You will not be eligible to receive monetary relief unless you submit a Claim Form.
PARTICIPATE IN THE SETTLEMENT	If you wish to participate in the proposed Settlement, you need to complete and return the accompanying Claim Form, postmarked no later than June 14, 2010 .
EXCLUDE YOURSELF	You will not be entitled to participate in the Settlement if you choose this option.
OBJECT OR COMMENT WHILE REMAINING IN THE CLASS	Write the Court about why you do, or do not, like the Settlement. You must remain in the Class and Settlement to object or comment.
ATTEND THE HEARING	Ask to speak to the Court about the fairness of the Settlement.

- These rights and obligations – 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. The ability to potentially receive monetary payment will be available only if the Court approves the Settlement and after any appeals are resolved. Please be patient.

1. **THE LITIGATION:** The lawsuit (*Fischer v. Continental, et. al.*, No. 05-L-0103, pending in the Circuit Court for the Twentieth Judicial Circuit, St. Clair County, Illinois) was filed on February 15, 2005, and concerns PPO discounts taken by Defendants on the Class Members' bills.

The lawsuit alleges that CNA wrongfully reduced payments to preferred providers who treated Illinois workers' compensation claimants by taking PPO discounts without performing the associated obligation of "preferring" the preferred providers. The lawsuit alleges that Defendants were either not a legitimate PPO payor or, in the alternative, breached their obligation as a PPO payor because there were no financial incentives to motivate Illinois workers' compensation claimants to seek treatment from the preferred providers.

2. **CNA'S POSITION:** CNA has denied and continues to deny all charges of wrongdoing or liability against it arising out of the allegations and claims asserted in the lawsuit.
3. **PURPOSE OF THIS NOTICE:** This Notice is designed to inform members of the Class defined below of the pendency of this litigation and of the proposed Settlement and to describe Class Members' rights and options.
4. **SETTLEMENT CLASS:** The Court has certified for Settlement purposes a Class (hereinafter, the "Class") consisting of: All licensed healthcare providers in Illinois who, from February 15, 1995 through February 26, 2010, 1) submitted a bill to CNA for medical services relating to the treatment of an occupationally ill or injured worker whose workers' compensation claim is governed by Illinois law; and 2) received less than the amount submitted due to PPO reductions or discounts taken by or on behalf of CNA on the bill. The Settlement also includes certain changes to CNA's business practices going forward for a certain period of time.

To represent the above Class for purposes of the Settlement, the Court has appointed the named plaintiffs in this lawsuit as the Class representatives and has appointed the following attorneys to serve as Class Counsel: LakinChapman, LLC, 300 Evans Avenue, P.O. Box 229, Wood River, Illinois 62095 (Lead Class Counsel). In addition, Timothy F. Campbell and the law firm Campbell & McGrady, 3017 Godfrey Road, P.O. Box 505, Godfrey, Illinois 62035, and Robert Sprague and the law firm Sprague & Urban, 26 East Washington Street, Belleville, IL 62220, are further Additional Counsel representing the Class.

5. **SETTLEMENT BENEFITS.** The following description of the Settlement benefits is qualified in its entirety by reference to the Class Action Settlement Agreement, a copy of which is on file with the Court.

- (a) **Cash Payments.** Under the proposed Settlement, Defendants will make payments to Class Members who submit valid claims. If you are a Class Member and wish to make a claim, you must fill out and submit the accompanying Claim Form, **postmarked no later than June 14, 2010, to Fischer v. CNA PPO Class Action, P.O. Box 2297, Faribault MN 55021-2432.**

Verification. All claims are subject to verification. If it is determined that you previously received a refund for a PPO discount identified in your claim, your claim payment will be reduced by that amount.

Pro Rata Reduction. All claims are subject to a potential pro rata reduction based upon the aggregate payment limit described in paragraph 6.4 of the Class Action Settlement Agreement.

- (b) **Future Conduct Changes.** The Settlement also includes certain changes to CNA's business practices going forward for a certain period of time. The details can be found in paragraph 7 of the Class Action Settlement Agreement.
- (c) **Important Information For Illinois Providers.** While CNA encourages its Illinois workers' compensation insureds and injured claimants to utilize PPO providers to the extent allowed by law, no financial incentives to patients who are covered by a workers' compensation program have been provided to encourage them to seek treatment from participating providers.

6. **ATTORNEYS' FEES AND EXPENSES:** From the filing of the litigation in 2005 to the present, Class Counsel have not received any payment for their services in prosecuting the case, nor have they been reimbursed for any out-of-pocket costs. If the Court approves the proposed Settlement, Class Counsel will apply to the Court for an award of attorneys' fees and reimbursement of expenses in the total amount of \$1,062,500. Class Counsel will also apply for an incentive award of \$5,000 to the named plaintiffs in this lawsuit for their initiative and effort in pursuing the litigation on behalf of the Class. Under no circumstances will you be personally liable for Class Counsel's attorneys' fees or expenses or any incentive award.
7. **RESULT IF COURT APPROVES SETTLEMENT:** If you fall within the Class definition and remain in the Class, and the Settlement is approved, the Court will enter a judgment dismissing the lawsuit with prejudice, and releasing any and all claims that you may have against CNA and the PPOs and bill review vendors used by CNA, whether known or unknown, arising from PPO discounts taken by CNA.
8. **YOUR OPTIONS:** If you are a member of the Class, you have the following options.
- (a) **PARTICIPATE IN THE SETTLEMENT – MAKE A CLAIM:** If you wish to participate in the proposed Settlement, you must complete and submit the accompanying Claim Form, along with any required documentation, **postmarked no later than June 14, 2010, to Fischer v. CNA PPO Class Action, P.O. Box 2297, Faribault MN 55021-2432.** If you fail to submit the Claim Form by the deadline, you will not be entitled to any Settlement payment but will still be bound by the Settlement and the judgment, including the release of your claims. If you wish to comment in favor of the Settlement, you may send your comment to Robert W. Schmieder II of LakinChapman, LLC, 300 Evans Avenue, P.O. Box 229, Wood River, Illinois 62095 (Lead Class Counsel). At the start of your comment, please include a reference to *Fischer v. Continental*, Case No. 05-L-0103.
- (b) **REQUEST TO BE EXCLUDED:** If you do not want to stay in the Class, then you must send a written Notice of your request to exclude yourself from the Class, so that it is received no later than **April 14, 2010**, to the Settlement Administrator. Your exclusion request must include (i) your full name, address, and telephone number; (ii) a statement that you request exclusion from the Class and Settlement in *Fischer v. Continental*, Case No. 05-L-0103; and (iii) your signature. If you validly and timely request exclusion from the Class, (1) you will be excluded from the Class; (2) you will not be entitled to a Settlement payment; (3) you will not be bound by the terms of the Settlement, the judgment dismissing the lawsuit, or the release of claims provided by the Settlement; and (4) you will not be entitled to comment on the proposed Settlement or be heard at the Fairness Hearing described in Paragraph 9 below.
- (c) **OBJECT OR COMMENT:** If you are a member of the Class and you do not request to be excluded, you may object to or offer comment in favor of the terms of the Settlement or to Class Counsel's request for attorneys' fees and expenses. You may, but need not, enter an appearance through counsel of your choice. If you do, you will be responsible for your own attorneys' fees and costs.

If you object to the Settlement, you must, on or before **April 14, 2010:** (1) file with the Clerk of the Circuit Court, Twentieth Judicial Circuit, St. Clair County, Illinois, located at 10 Public Square, Belleville, IL 62220, and (2) serve on Robert W. Schmieder II of LakinChapman, LLC, 300 Evans Avenue, P.O. Box 229, Wood River, Illinois 62095-1127 (Lead Class Counsel); and Brent Austin, Wildman Harrold LLP, 225 W. Wacker Drive, Suite 3000, Chicago, Illinois, 60606 (Counsel for CNA), a written objection, which includes: (a) the objector's name, address and telephone number; (b) the name of the case and the case number; (c) a statement of each objection; and (d) a written brief detailing the specific reasons, if any, for each objection, including any legal and factual support the objector wishes to bring to the Court's attention and any evidence the objector wishes to introduce in support of the objection. Any objection must also include: (i) the identity and number of Class Members represented by objector's counsel; (ii) the number of such represented Class Members who have opted out of the Settlement; (iii) the number of such represented Class Members who

have remained in the Settlement and have not objected; (iv) the date the objector's counsel assumed representation for the objector; and (v) a list of the names of all Classes where the objector's counsel has objected to a Class action Settlement in the last three years. Objecting Class Members who appear by counsel or who intend to testify in support of their objection either in person or by affidavit must also make themselves available for deposition by Class Counsel or Defendants' counsel in their county of residence, between the time the objection is filed and fourteen (14) days before the date of the Fairness Hearing. Any Class Member who files and serves a written objection may appear at the Fairness Hearing, either in person or through personal counsel hired at the Class Member's expense, but must deliver a Notice of Intention to Appear to Class Counsel and CNA's counsel, and have it file-marked by the Court no later than April 14, 2010. The Notice of Intention to Appear must: (1) state how much time the Class Member and/or their attorney anticipates needing to present the objection; (2) identify, by name, address, telephone number and detailed summary of testimony any witnesses the Class Member and/or their attorney intends to present any testimony from; and (3) identify all exhibits the Class Member and/or their attorney intends to offer in support of the objection and attach complete copies of all such exhibits. Class Members who do not timely make their objections in this manner will be deemed to have waived all objections and shall not be heard at the Fairness Hearing or have the right to appeal from approval of the Settlement.

9. **FAIRNESS HEARING:** On May 14, 2010, at 9:00 a.m., in the courtroom of the Honorable Brian Babka, Circuit Judge of the Circuit Court, Twentieth Judicial Circuit, St. Clair County, Illinois, located at 10 Public Square, Belleville, IL 62220, Judge Babka will hold a Fairness Hearing for the purpose of deciding (a) whether the Settlement should be approved as fair, reasonable, and adequate for the Class; (b) whether a judgment granting approval of the Settlement and dismissing the lawsuit with prejudice should be entered; and (c) whether Class Counsel's application for attorneys' fees and expenses should be granted. The hearing may be postponed, adjourned, or rescheduled by the Court without further Notice to the Class. You do not need to attend this hearing to remain a Class Member or participate in the Settlement.
10. **EXAMINATION OF PAPERS FILED IN THE CASE:** This Notice is a summary and does not describe all details of the Settlement. For full details of the matters discussed in this Notice, you may wish to review the Class Action Settlement Agreement dated February 23, 2010, available online at www.pposettlements.com. A complete copy of the Class Action Settlement Agreement and all other pleadings and papers filed in the lawsuit are also available for inspection and copying during regular business hours at the Office of the Clerk of the Circuit Court, Twentieth Judicial Circuit, St. Clair County, Illinois, located at 10 Public Square, Belleville, IL 62220.
11. **ADDITIONAL INFORMATION:** You can view and print the Class Action Settlement Agreement, this Notice, and the Claim Form at www.pposettlements.com. You can also direct inquiries to Class Counsel at ppo.classaction@lakinchapman.com or by mail 300 Evans Avenue, P.O. Box 229, Wood River, Illinois 62095. Please include the reference *Fischer*, Case No. 05-L-0103. Answers to frequently asked questions are available at www.pposettlements.com.

**PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS
ABOUT THIS NOTICE.**

DATED: March 15, 2010

BY ORDER OF THE CIRCUIT COURT
THIRD JUDICIAL DISTRICT
MADISON COUNTY, ILLINOIS

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Participating CNA Companies

Alexsis, Inc.
American Casualty Company of Reading, Pennsylvania
Boston Old Colony Insurance Company
Buckeye Union Insurance Company (The)
CNA Casualty of California
CNA ClaimPlus, Inc.
CNA Financial Corporation
CNA Lloyd's of Texas
Columbia Casualty Company
Commercial Insurance Company of Newark, N.J.
Continental Assurance Company
Continental Casualty Company
Continental Corporation (The)
Continental Insurance Company (The)
Continental Insurance Company of New Jersey (The)
Continental Lloyd's Insurance Company
Encompass Home and Auto Insurance Company
Encompass Independent Insurance Company
Encompass Insurance Company of America
Encompass Insurance Company of Massachusetts
Encompass Property and Casualty Company
Fidelity and Casualty Company of New York (The)
Firemen's Insurance Company of Newark, New Jersey
First Fire & Casualty Insurance Company of Hawaii, Inc.
First Indemnity Insurance of Hawaii, Inc.
First Insurance Company of Hawaii, Ltd.
First Security Insurance of Hawaii, Ltd.
Galway Insurance Company
Glens Falls Insurance Company (The)
Kansas City Fire and Marine Insurance Company
Mayflower Insurance Company, Ltd. (The)
National-Ben Franklin Insurance Company of Illinois
National Fire Insurance Company of Hartford
Niagara Fire Insurance Company
Pacific Insurance Company
RSKCo, Inc.
RSKCo Services, Inc.
Transcontinental Insurance Company
Transportation Insurance Company
Valley Forge Insurance Company