

**NOTICE OF CLASS ACTION DETERMINATION, CLASS DESCRIPTION,  
PENDENCY OF PROPOSED SETTLEMENT, AND HEARING ON SETTLEMENT**

**THIS NOTICE MAY AFFECT YOUR LEGAL RIGHTS. PLEASE READ IT CAREFULLY. YOU MAY WISH TO CONSULT YOUR ATTORNEY CONCERNING THIS NOTICE.**

**TO:**

**ALL LICENSED HEALTHCARE PROVIDERS, EXCLUDING HOSPITALS, IN ILLINOIS WHO, FROM JANUARY 1, 1998 THROUGH JUNE 20, 2011, (A) SUBMITTED CLAIMS UNDER WORKERS' COMPENSATION ("WC") OR AUTOMOBILE INSURANCE MEDICAL PAYMENTS ("MEDPAY") COVERAGE FOR PAYMENT OF MEDICAL BILLS TO COUNTRY MUTUAL INSURANCE COMPANY OR A RELATED ENTITY ("COUNTRY"); (B) RECEIVED OR WERE TENDERED PARTIAL PAYMENT BUT IN AN AMOUNT LESS THAN THE SUBMITTED MEDICAL EXPENSES BASED ON A PREFERRED PROVIDER ORGANIZATION OR NETWORK DISCOUNT OR RATE ("PPO DISCOUNT" OR "PPO DISCOUNTS"); AND (C) RECEIVED OR WERE TENDERED AN AMOUNT LESS THAN THE FULL AMOUNT OF THE STATED MEDPAY OR WC POLICY LIMITS. THE SETTLEMENT CLASS SHALL EXCLUDE DIRECTORS AND OFFICERS OF COUNTRY.**

This Notice describes the Proposed Settlement of a class action lawsuit concerning the alleged improper application of PPO discounts by COUNTRY (under the Stipulation COUNTRY includes, but is not limited to, COUNTRY Mutual Insurance Company, COUNTRY Casualty Insurance Company and COUNTRY Preferred Insurance Company) when paying to medical providers benefits under Medpay or WC coverage afforded in COUNTRY'S Illinois insurance policies. On June 20, 2011, Judge Gleason, of the Twentieth Judicial Circuit, St. Clair County, Illinois, preliminarily approved the Proposed Settlement and directed a notice to be mailed so that potential members of the Class in this Lawsuit could be advised about the Proposed Settlement. This Notice is being sent to you because you may be a member of the Class. **However, not all recipients of this Notice will qualify for Class Membership.**

**PLEASE READ THE CLASS DESCRIPTION, CONTAINED IN SECTION 3A OF THIS NOTICE, CAREFULLY TO SEE IF YOU QUALIFY FOR CLASS MEMBERSHIP.**

**See Section 3B for how to apply for benefits under the Proposed Settlement.**

If you do not request exclusion from the Class, as provided for in Section 6 of this Notice, and if you meet the requirements for Membership in the Class, and if you complete and submit a Valid Claim Form (blank form attached) and satisfy other conditions under this Proposed Settlement, you will have the opportunity to receive money payments under this Proposed Settlement, if it is finally approved by the Court.

The remainder of this Notice contains other information that is required by law. It (a) describes the lawsuit; (b) describes Plaintiff's contentions; (c) summarizes the settlement negotiations, the terms of the Proposed Settlement and the fees and costs that may be awarded to Plaintiff's attorneys; (d) tells you about a hearing on the Proposed Settlement and your right to object; (e) tells you what to do if you want to object or intervene; (f) tells you what to do if you do not want to participate in this Proposed Settlement; and (g) tells you how to obtain additional information.

## 1. THE LAWSUIT.

**Background.** The lawsuit is captioned Kathleen Roche, D.C., individually and on behalf of the certified class v. COUNTRY Mutual Insurance Company a/k/a COUNTRY Casualty Insurance Company, a/k/a COUNTRY Companies, No. 07 L 207 (the "Lawsuit" or the "Action"), and is pending in the Twentieth Judicial Circuit, St. Clair County, Illinois (the "Court"). The Plaintiff and the Class in this Lawsuit are represented by attorneys Paul M. Weiss and Richard L. Burke, FREED & WEISS LLC, 111 W. Washington, Suite 1331, Chicago, IL 60602, Email: Info@Freedweiss.com and Kevin Hoerner, Becker, Paulson, Hoerner & Thompson, P.C., 5111 West Main Street, Belleville, Illinois 62226 ("Class Counsel" or "Plaintiff's Counsel").

- A. **Plaintiff's Contentions.** Plaintiff alleges COUNTRY improperly applied PPO discounts when paying providers for medical expenses under the Medpay or WC coverage afforded in COUNTRY'S Illinois insurance policies.
- B. **Investigation of Claims.** Counsel for Plaintiff extensively investigated facts, inspected documents, and conducted legal research. On June 20, 2011, the Court entered an Order preliminarily certifying, for settlement purposes only, a Settlement Class.

## 2. SETTLEMENT NEGOTIATIONS AND THE POSITIONS OF THE PARTIES.

- A. **Evaluation by Class Counsel.** Plaintiff's counsel and counsel for COUNTRY engaged in extensive arm's-length negotiations with respect to settlement of the Class Members' claims. The Plaintiff recognizes the uncertainty and the risk of the outcome of any litigation, especially complex litigation such as this, and the difficulties and risks inherent in the trial of such an action. Subject to the Court's approval, the Plaintiff desires to settle the claims of the Class Members against COUNTRY. Based on their review of the facts and the law at this stage of the proceedings, and their evaluation of the immediate benefits which the Proposed Settlement makes available to the Class, Plaintiff's Counsel believe the Settlement Agreement terms will provide substantial benefits to the Class Members, and believe the settlement to be fair, reasonable and adequate, and that its approval is in the best interests of the Class.
- B. **COUNTRY'S Position.** While COUNTRY agreed to the terms of this Settlement in the interests of its policyholders, COUNTRY denied and continues to deny liability on each and every claim Plaintiff asserted. More specifically, COUNTRY denied and continues to deny all charges of wrongdoing or liability, on any theory, arising out of any conduct, statements, acts or omissions of COUNTRY or its employees, agents or representatives, in connection with the Lawsuit. COUNTRY denied and continues to deny any assertion that Plaintiff or Class Members suffered damages proximately caused by any act or omission of COUNTRY or its employees, agents or representatives, or that a Class Action would be proper in this case.

## 3. SUMMARY OF THE PROPOSED SETTLEMENT.

The following summarizes the principal terms of the Proposed Settlement. The full Stipulation of Settlement is on file with the Clerk of the Court, in the Twentieth Judicial Circuit, St. Clair County, Illinois ("Clerk of the Court"), and available at [www.freedweiss.com](http://www.freedweiss.com), where you may read and copy it. The Stipulation of Settlement may be approved as modified by the Court without further notice.

- A. Description of the Class.** The parties agreed the Settlement will cover not only Defendant COUNTRY Mutual Insurance Company, but also any of its parents, affiliates, stockholders, subsidiaries or divisions, or any other successors, assigns, or legal representatives thereof. The Court certified, for settlement purposes only, an Illinois-only class of all claimants, for the class period January 1, 1998 through June 20, 2011, which includes the following class:

All licensed healthcare providers, excluding hospitals, in Illinois who, from January 1, 1998 through June 20, 2011 (a) submitted claims under WC or Medpay coverage for payment of medical bills to COUNTRY; (b) received or were tendered partial payment but in an amount less than the submitted medical expenses based on a PPO discount or PPO discounts; and (c) received or were tendered an amount less than the full amount of the stated Medpay or WC policy limits. The settlement class shall exclude directors and officers of COUNTRY.

**B. Settlement Benefits**

Each Settlement Class Member who completes a Valid Claim Form as defined in the Stipulation, may receive a payment, under the following conditions:

- (1) Subject to the pro rata reduction because of the Settlement Maximum in the Stipulation, Class Members who submit a Valid Claim Form shall receive 30% of the PPO discounts for medical bills submitted under Medpay coverage and/or 5% of the PPO discounts for medical bills submitted under WC coverage as established by the documentation submitted by the Class Member. Claims payments are subject to the terms of the Stipulation of Settlement and the applicable policy limit.
- (2) COUNTRY shall be entitled, in good faith, to make a submission to refute, modify or supplement the claim form documentation or affidavit submitted by the Class Member.

**C. How to Get Benefits Under the Settlement.**

(1) **Remain in the Class.** If you fit the description above, and you do not request exclusion from the Class as described in paragraph 6 below, you will remain a Class Member.

(2) **Submit a Claim Form.** IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS DESCRIBED ABOVE IN PARAGRAPH 3A, YOU WILL NEED TO COMPLETE AND MAIL THE CLAIM FORM ATTACHED HERETO, POSTMARKED NO LATER THAN January 5, 2012, to Roche Settlement, P.O. Box 6006, Portland, OR, 97228-6006. The Claim Form must include information regarding the loss, and Explanation of Benefits forms or equivalent documentation showing the PPO discounts for which the Class Member is making the claim and showing the Class Member: (1) submitted a claim for payment to COUNTRY under WC or Medpay coverage for payment of medical bills related to the accident in question, (2) received an amount less than the billed amount based on a PPO discount, and (3) an affirmation that the information set forth in the claim form is true and correct. No Claimant will receive a payment, however, pursuant to this Stipulation if he or she does not meet all the prerequisites for membership in the Settlement Class.

- D. Fees and Costs.** COUNTRY agreed not to contest a request by Class Counsel for a maximum award of \$583,333 in fees and costs. Any attorneys' fees and costs awarded by the Court shall be paid by COUNTRY to Class Counsel within

7 days of the Effective Date, as defined in the Stipulation of Settlement. Class Counsel agreed to pay the Named Plaintiff an incentive fee of \$5,000 from the fees and costs the Court awards.

**E. Effect of Settlement Approval.** Unless you exclude yourself from the Class in the manner set forth in Section 6 below, if the Final Judgment and Order Approving Settlement is entered by the Court, you shall be deemed to have given COUNTRY (as defined in paragraph 3A above), and any of its past or present officers, stockholders, directors, agents, employees, independent contractors, parents, affiliates, subsidiaries or divisions, or any other successors, assigns, or legal representatives thereof (the "Released Persons") a General Release regarding PPO discounts. Under this General Release, you, your heirs, executors, administrators, representatives, agents, successors and assigns, and any and all other Persons claiming through or by virtue of you, shall release, waive, withdraw, retract and forever discharge any and all Unknown Claims, known claims, and rights, demands, actions, causes of action, suits, debts, liens, contracts, liabilities, agreements, interest, costs, expenses or losses, for the acts alleged or which are or could have been alleged by the Named Plaintiff or the Potential Class Members in this Action, or relate in any way whatsoever to this Action regarding the use of PPO discounts or payments under Medpay or WC including, but not limited to, statutory and non-statutory attorneys' fees, breach of contract, breach of any covenant of good faith and/or fair dealing, premium overcharges, fraudulent inducement, fraud, misrepresentation, deception, consumer fraud, antitrust, defamation, tortious interference with contract or business expectations, Racketeer Influenced and Corrupt Organizations Act violations, violations of any consumer protection act, punitive damages, interest, injunctive relief, declaratory judgment, costs, unfair trade practices, unfair insurance practices, unfair competition, deceptive practices, statutory violations, unfair business practices, breach of fiduciary duty, mental or emotional distress and/or bad faith relating in any way whatsoever to COUNTRY's review, handling, payment, adjustment or denial in whole or in part of claims for Medpay or WC benefits where a PPO discount applied, including, but not limited to, any claims which were brought or could have been brought or relate in any way whatsoever to the Action regarding the use of PPO discounts. "Unknown Claims" means claims arising out of new facts or facts found hereafter to be other than or different from the facts now believed to be true, relating to any matter covered by the Stipulation of Settlement, as to the acts alleged or which could have been alleged in the Action, so that each Class Member shall be deemed to have expressly waived any and all Unknown Claims relating to any matter covered by the Stipulation and related to Medpay or WC benefits as defined therein. The Release expressly waives all rights under under Section 1542 of the California Civil Code, which provides that "[a] general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor," and any similar rights under any similar law, statute or regulation of any other state or territory of the United States or any of its agencies or instrumentalities which potentially could limit the scope of a general release.

#### 4. NOTICE OF SETTLEMENT HEARING.

The Court ordered that a final fairness hearing (the "Hearing") be held on November 21, 2011 at 10 a.m., (or such other time as the Court may, without further notice, direct), in Courtroom 403 in the Courthouse for the Twentieth Judicial Circuit, St. Clair County, Belleville, Illinois 62220, before the Honorable Judge Gleason, or any judge sitting in his place. The purpose of the

Hearing will be to determine whether the Proposed Settlement is fair, reasonable and adequate, as well as in the best interests of the Class. If it is so determined, the Court will finally approve the Proposed Settlement and will enter a judgment dismissing the Lawsuit on the merits, with prejudice and without leave to amend. If the Court disapproves the Proposed Settlement, then the Lawsuit will continue and the rights and duties of the parties will be as if no Settlement had been reached.

## **5. PROCEDURE FOR CLASS MEMBERS WHO WISH TO OBJECT.**

If you are a member of the Class who has not filed a timely request for exclusion from the Class, you may file a notice of your intent to object to the Settlement. The written notice of intent to object must be: (a) filed with the Clerk of the Court not later than October 22, 2011; and (b) sent by first-class mail, postmarked not later than October 22, 2011, to counsel for the Class, Paul M. Weiss, Freed & Weiss LLC, 111 West Washington, Suite 1331, Chicago, IL 60602, and to counsel for COUNTRY, Lisa M. Lilly, Lisa M. Lilly LLC, 20 S. Clark St., Suite 410, Chicago, Illinois 60603. Any Class Member who does not so request to object waives the right to do so in the future, and shall be forever barred from making any objection to the Proposed Settlement. Any Notice of Intent to Object must contain: (a) a heading which refers to the Action; (b) the name, address, telephone number and signature of the Class Member filing the objection; (c) a statement whether the objector intends to appear at the Final Settlement Hearing, either in person or through counsel, and, if through counsel, identifying counsel by name, address and phone number; (d) a detailed statement of the specific legal and factual bases for each and every objection, and if through counsel, a legal memorandum in support of the objection; (e) a list of any witnesses, along with the expected testimony of each such witness, and photocopies of exhibits which the objector intends to introduce at the Final Settlement Hearing; (f) a detailed description of any and all evidence the objector may offer at the Settlement Approval Hearing, if the objector intends to speak at the hearing; and (g) documentary proof of membership in the Settlement Class. If the Class Member is represented by counsel, he/she or it must comply with all applicable Illinois laws and rules for filing pleadings and documents in Illinois Courts. If the objection is presented through counsel, the written 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 cases where the objector's counsel, and objector, has objected to a class action settlement in the last three years. Objecting Class Members who are represented 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 defense counsel in their county of residence, between the time the objection is filed and fourteen (14) days before the date of the Fairness Hearing. The Notice of Intent to Object, to be effective, also must be sent by the objector or a legally authorized representative on an individual basis and not as part of a group, class or subclass.

## **6. EXCLUSION FROM THE CLASS.**

If you exclude yourself from the Class, you (i) will not be permitted to participate in the Settlement described in this Notice, if it is approved; (ii) will not benefit from or be bound by a final judgment rendered in this Lawsuit; and (iii) may, if you wish, pursue on your own behalf whatever legal rights you may have. If you do not exclude yourself from the Class and the Proposed Settlement is approved, you will be bound by its terms and by any judgment entered as a result of the Stipulation of Settlement, and will be permanently

enjoined from prosecuting any of the claims released in this matter at any time in the future. If you do not exclude yourself from the Class, you may, if you wish, enter an appearance by an attorney of your own choice, but no attorney may participate in the Hearing unless his or her appearance has been filed in this matter and served on counsel for the parties on or before October 22, 2011 and he/she is licensed in Illinois, retained local counsel or is admitted pro hac vice. If you do not wish to be included in the Class, and do not wish to receive any of the benefits available under the Proposed Settlement if it is approved, you may exclude yourself by preparing a written request for exclusion, postmarked not later than October 22, 2011, which shall be sent to Roche Settlement, P.O. Box 6006, Portland, OR, 97228-6006. Written requests for exclusion must be signed and include the Potential Class Member's name, address, and telephone number, and expressly state the desire to be excluded from the Settlement Class.

## 7. FOR FURTHER INFORMATION.

The references herein to the pleadings and other documents filed in the Lawsuit are only partial summaries. The complete texts of these and other relevant documents are on file with the Clerk of the Court, where they are available for inspection and copying during regular business hours.

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK OF THE COURT TO ASK ANY QUESTIONS ABOUT THIS LITIGATION.**

If you have any questions, contact:

**Class Counsel:**

Freed & Weiss LLC

111 West Washington, Suite 1331

Chicago, IL 60602

(312) 220-0000

**Email: [Info@Freedweiss.com](mailto:Info@Freedweiss.com)**

**REMEMBER: IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS DESCRIBED IN THIS NOTICE AND WANT TO OBTAIN THE BENEFITS OF THIS SETTLEMENT, YOU MUST COMPLETE AND MAIL A CLAIM FORM OR FORMS, POSTMARKED NO LATER THAN January 5, 2012.**

By Order of the Circuit Court, Twentieth Judicial Circuit, St. Clair County, Illinois.

Dated: June 20, 2011

St. Clair County, Illinois

The Honorable Andrew Gleason