

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement” or “Agreement”) is made by and between plaintiffs JANET HOBSON (“Hobson”) and ROY SCHOENHOLTZ (“Schoenholtz”) (collectively, the “Plaintiffs”), on behalf of themselves and all others similarly situated, and defendants HARTFORD INSURANCE COMPANY OF THE MIDWEST (“HICM”) and TWIN CITY FIRE INSURANCE COMPANY (“Twin City”) (collectively, “Defendants”), by and through their respective counsel, subject to the following terms and conditions.

### RECITALS

WHEREAS, on December 23, 2021, Hobson filed a putative class action in the United States District Court for the District of New Jersey (the “New Jersey Court”) against HICM designated as Case No. 21-cv-20696-EP-ESK (the “Hobson Action”); and

WHEREAS, on January 4, 2022, Hobson filed an Amended Class Action Complaint, ECF No. 3 (the “Hobson Amended Complaint”), alleging claims against HICM for violation of the New Jersey Consumer Fraud Act, N.J. Stat. Ann. § 56:8-2, et seq., breach of contract, breach of the covenant of good faith and fair dealing, and declaratory judgment; and

WHEREAS, on September 28, 2022, the New Jersey Court dismissed Hobson’s claims under the New Jersey Consumer Fraud Act, for breach of the covenant of good faith and fair dealing and for declaratory judgment, but denied the motion to dismiss as to Hobson’s breach of contract claim; and

WHEREAS, on October 26, 2022, HICM filed Defendant’s Answer and Affirmative Defenses, ECF No. 58, in which HICM denied each and every claim set forth in the Hobson Amended Complaint; and

WHEREAS, on July 22, 2022, Schoenholtz filed a putative class action in the United States District Court for the Eastern District of Missouri (the “Missouri Court”) against Twin

City designated as Case No. 4:22-cv-0778 (the “Schoenholtz Action”) (the Hobson Action and the Schoenholtz Action will be referred to collectively as the “Actions”); and

WHEREAS, on October 17, 2022, Schoenholtz filed an Amended Class Action Complaint, ECF No. 13 (the “Schoenholtz Amended Complaint”), removing certain claims from the original complaint, but alleging claims against Twin City for breach of contract, breach of the covenant of good faith and fair dealing, and declaratory judgment; and

WHEREAS, on December 8, 2022, after Twin City filed a motion to dismiss the Amended Complaint’s claim for breach of the covenant of good faith and fair dealing and declaratory judgment, Schoenholtz agreed to withdraw those claims, leaving only the breach of contract claim; and

WHEREAS, on January 13, 2023, Twin City filed Defendant’s Answer and Affirmative Defenses, ECF No. 35, in which Twin City denied each and every claim set forth in the Schoenholtz Amended Complaint; and

WHEREAS, Hobson and the members of the proposed New Jersey class (“New Jersey Class Members”) were New Jersey insureds who had automobile insurance policies issued by HICM (the “New Jersey Policies”), and had their vehicles determined to be total losses by HICM;

WHEREAS, Schoenholtz and the members of the proposed Missouri class (“Missouri Class Members”) (the New Jersey Class Members and the Missouri Class Members will be referred to collectively as the “Class Members”) were Missouri insureds who had automobile insurance policies issued by Twin City (the “Missouri Policies”) (the New Jersey Policies and the Missouri Policies will be referred to collectively as the “Policies”), and had their vehicles determined to be total losses by Twin City;

WHEREAS, Defendants often utilized Mitchell valuation reports, which often contained a Projected Sold Adjustment (“PSA”) applied to certain list price comparable vehicles when calculating the value of auto total losses under their first party coverages;

WHEREAS, the Actions allege generally, that, in breach of the Policies, Defendants improperly failed to pay Plaintiffs and the Class Members fully for their total loss claims due to the impact of the PSA on the total loss calculation; and

WHEREAS, Plaintiffs, through counsel, while believing that the claims asserted in the Actions have substantial merit, examined the benefits to be obtained under the terms of the contemplated Settlement, considered the risks and delay associated with the continued prosecution and appeals of these Actions and the likelihood of success on the merits of the Actions as well as the risk relating to obtaining class certification, and believe that, in consideration of all the circumstances, the Settlement is fair, reasonable, adequate, and in the best interests of Plaintiffs and the Class Members; and

WHEREAS, Defendants believe that they have numerous defenses having substantial merit, including merits-based and class defenses, and would otherwise have prevailed in the Actions, and further maintain that they have consistently acted in accordance with the Policies and governing laws at all times and deny wrongdoing of any kind whatsoever, and without admitting liability, have nevertheless agreed to enter into this Settlement to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation, and to be completely free of any further controversy with respect to the claims which were asserted or could have been asserted in the Actions; and

NOW, THEREFORE, IT IS HEREBY AGREED, by and between the Parties, through their respective counsel, that the Actions be fully and finally settled and compromised as

between Plaintiffs, the Class Members, and Defendants upon court approval after hearing as provided for in this Agreement, on the following terms and conditions:

**I. DEFINITIONS.**

1. “Claim” means a request by a Class Representative or a Class Member for a benefit under the Settlement.
2. “Claimant[s]” mean those Class Members who submit a timely and Valid Claim Form.
3. “Claim Form” means the claim form attached to or accompanying the Short Form Notice, pursuant to which Class Members may elect to participate in this Settlement. The Short Form Notice, including the Claim Form, is attached hereto as **Exhibit “A.”**
4. “Claims Administrator” means the firm approved by the Court to administer the Settlement. The Parties agree to jointly recommend a Claims Administrator to the Court.
5. “Court” refers to the court ultimately assigned the Combined Action.
6. “Class Counsel” means the following attorneys who represent Plaintiffs in the Actions:

Rachel Edelsberg  
Dapeer Law, P.A.  
3331 Sunset Avenue  
Ocean, New Jersey 07712

Jacob L. Phillips  
Normand PLLC  
3165 McCrory Place, Suite 175  
Orlando, FL 32803

Andrew Shamis  
Shamis & Gentile, P.A.  
14 NE First Avenue  
Suite 705  
Miami, FL 33132

Scott Adam Edelsberg  
Adam A. Schwartzbaum  
Edelsberg Law, P.A.  
20900 NE 30th Avenue  
Suite 417  
Aventura, FL 33180

7. “Class Member” shall mean those persons, including Legally Authorized Representatives, that are members of the Settlement Class.
8. “Class Period” means: (1) for HICM insureds, the period from December 23, 2015 to November 29, 2023; and (2) for Twin City insureds, the period from July 22, 2013 to November 29, 2023.
9. “Class Representatives” mean JANET HOBSON and ROY SCHOENHOLTZ, the named Plaintiffs and persons to be named by the Court as the Class Representatives.
10. “Combined Action” means the single Action that will exist after consolidation of the two Actions in one jurisdiction.
11. “Defendants” means HARTFORD INSURANCE COMPANY OF THE MIDWEST (“HICM”) and TWIN CITY FIRE INSURANCE COMPANY (“Twin City”).
12. “Deficient Claim Form” means a claim form that is not signed by the Claimant, stating that they “affirm that the response I have provided above is true and correct to the best of my knowledge,” or where the Claimant’s name is not legibly printed, or where the question asked has not been answered.
13. The “Effective Date” of this Agreement shall be the first date after which all the following events and conditions have been met or have occurred:
  - (a) All parties have executed this Agreement;
  - (b) The existing Actions have been dismissed or one has been dismissed and one has been amended to create the Combined Action.

- (c) The Court in the Combined Action has, by entry of the Preliminary Approval Order, preliminarily approved this Agreement, the Settlement set forth herein and the method for providing notice to the Class Members; and
- (d) The Court in the Combined Action has entered the Final Approval Order and Judgment, finally approving the Settlement, and releasing the Released Persons from the Released Claims and dismissing with prejudice, and without leave to amend, the Combined Action and all claims asserted therein, and the Final Approval Order and Judgment is Final (fully enforceable and the time for appeal has expired without appeal).

14. “Eligible Class Member” is a Class Member who has submitted a Valid Claim Form and is entitled to payment under the Settlement.

15. “Email Notice” refers to the email notice that will be sent once to each Class Member to the extent Defendants have email addresses available and shall include a hyperlink to the Claim Form on the Settlement Website. The Email Notice will have substantially the same content as the Short Form Notice.

16. “Final” means, with respect to the Final Approval Order and Judgment, that the Final Approval Order and Judgment is entered by the Court and the time for appeal from such Final Approval Order and Judgment has lapsed (including, without limitation, any extension of time for the filing of any appeal that may result by operation of law or order of the Court) with no notice of appeal having been filed, or if an appeal is filed, the day that the Final Approval

Order and Judgment is affirmed, all appeals are dismissed, and no further appeals to, or discretionary review in, any court remains.

17. “Final Approval Order and Judgment” means the Order to be entered substantially in a form that is mutually agreeable to the Parties, which will, at minimum, approve this Settlement as fair, adequate, and reasonable and in the best interests of the Settlement Class as a whole in accordance with the applicable Rules of Civil Procedure and/or other applicable law, provide for a release of claims that is consistent with this Settlement, and make such other findings and determinations as the Court deems necessary and appropriate to effectuate the terms of this Settlement, with the Court retaining jurisdiction over the Settlement and its administration, as set forth in the Final Approval Order and Judgment.

18. “Final Claim Form Submission Deadline” means the date by which any corrected Claim Forms must be received by the Claims Administrator to be eligible for a benefit under the Settlement.

19. “Final Settlement Hearing”/ “Final Approval Hearing” means the hearing at which final approval of the Settlement in this matter is sought.

20. “Initial Claim Form Submission Deadline” means the date by which Claim Forms must be received by the Claims Administrator to be eligible for payment of a benefit under the Settlement. Such date shall not be later than ninety-one (91) days after mailing of the Short Form Notice and Claim Form.

21. “Legally Authorized Representative” means an administrator/administratrix or executor/executrix of a decedent’s estate, a guardian, conservator, or next friend of an incapacitated person or any other legally appointed person or entity responsible for handling the

business affairs of a person, and/or the spouse or domestic partner of any person that otherwise is a member of the Settlement Class.

22. “Long-form Notice” means the long form of notice that will be made available on the Settlement Website, which shall be substantially in the form attached as **Exhibit “B.”**

23. “Notice Date” means the date upon which the Short Form Notice is first mailed to Class Members.

24. “Objection” means a written objection to the Settlement by those who do not opt out, which is served no later than 45 days after the mailing of the Short Form Notice and Claim Form.

25. “Opt Out” means any person who sends a written communication requesting exclusion from this Settlement, which communication is received no later than 45 days after the mailing of the Short Form Notice and Claim Form.

26. “Parties” means, collectively, JANET HOBSON and ROY SCHOENHOLTZ, the Class Representatives, on behalf of themselves and all others similarly situated, and HICM and TWIN CITY, the Defendants.

27. “Preliminary Approval Order” means the Court’s preliminary approval of this Settlement in substantially the form attached hereto as **Exhibit “C.”**

28. “PSA” means the adjustment certain Mitchell valuation reports used to attempt to account for the difference between list price and predicted sold price of a comparable vehicle. Plaintiffs contend the adjustments did not accurately reflect this difference.

29. “PSA Impact Amount” shall mean: the sum of each Projected Sold Adjustment for each comparable vehicle on the final Mitchell report, divided by the total



number of Comparable Vehicles in the Mitchell report. (For example, if there were four comparable vehicles on a Mitchell valuation report, one with a PSA of \$100, the second with a PSA of \$300 and two vehicles with no PSA, the PSA Impact Amount would be  $\$400/4$  or \$100.)

30. "Released Claims" means and includes, whether known or unknown, any and all claims for relief or causes of action, claims, rights, demands, actions, suits, debts, liens, contracts, liabilities, agreements, interest, fees, costs, expenses or losses, including but not limited to claims based in contract or tort, common law or equity, and federal, state, or local law, statute, ordinance, administrative code, or regulation, and any other claims for relief and/or remuneration whatsoever, including, but not limited to, all claims arising out of the Defendants' handling or administering of claims for coverage for total loss payments; including claims for bad faith; claims for the amounts of total loss payments; breach of any written or oral agreement or insurance contract or any similar act; waiver; estoppel; any tortious injury, including any intentional or negligent acts; agent negligence; failure to procure coverage or misconduct; punitive damages; treble damages; statutory damages; regulatory claims; claims for violation of the New Jersey Revised Statutes, the Missouri Revised Statutes, or similar statutes; claims for violation of the New Jersey Consumer Fraud Act, the Missouri Merchandising Practices Act, or any similar act; misrepresentation; and/or any claim for attorneys' fees and expenses; arising on or before the date hereof, which the Releasing Parties had or could have alleged in the Actions that relate in any way whatsoever to the Actions' claims related to total loss payment arising from the payment of the actual cash value of the insured vehicle.

31. “Released Persons” means the Defendants, as defined in the Agreement, and any and all of their past, present or future subsidiaries, controlled, affiliated, related and/or parent corporations, business entities or divisions, heirs, predecessors, successors, assigns, officers, stockholders, insurers, reinsurers, underwriters, directors, agents, employees and/or independent contractors, attorneys-in-fact, attorneys at law, and/or past, present and future parent, subsidiary and affiliated corporations and/or any other person or entity who could or might be subject to any liability under or through, or derivatively of any of the foregoing.

32. “Releasing Parties” means Plaintiffs, the Class Representatives, the Class Members, their heirs, predecessors, successors, assigns, family members, personal representatives, attorneys, officers, stockholders, employees, executors, administrators, insurers, reinsurers, underwriters, directors and/or past, present and future parent, subsidiary and affiliated corporations, lienholders, financing companies, gap insurers, and any other person or entity who could or might assert any claim under or through any of the foregoing.

33. “Settlement” means the settlement contemplated by the terms, conditions, and provisions set forth in this Agreement including all exhibits hereto.

34. “Settlement Class” means the class described of the following persons:

All HICM insureds with New Jersey personal lines auto policies who submitted a claim between December 23, 2015 through November 29, 2023 and all Twin City insureds with Missouri personal lines auto policies who submitted a claim between July 22, 2013 through November 29, 2023, whose vehicles (owned or leased) were declared a total loss and who received compensation for the total loss of their own vehicles under their first party coverages, where a Mitchell Market Valuation Report was used in connection with the claim (“Potential Class Members”). Excluded from the Settlement Class are (a) the assigned judges, the judges’ staffs and families, and (b) Defendants’ employees. The Parties agree that the Settlement Class members will be identified by a spreadsheet provided by Defendants’ counsel to Plaintiffs’ counsel of those falling within the Settlement

Class. The Parties further agree that individuals who resolved their claims via methods other than a Mitchell Valuation Report are not entitled to compensation.

35. “Settlement Class List” means the class notice list to be furnished to Class Counsel and the Claims Administrator by the Parties based on the Defendants preparation of a spreadsheet of the individuals identified in Paragraph 31.

36. “Short Form Notice” means the mailed notice, which will be sent once via postcard, pre-paid postage, with a detachable claim form that is pre-filled with the claimant’s information and served by direct mail to the last known address of the insured. A copy of the proposed Short Form Notice is attached as **Exhibit “A.”**

37. “Settlement Fund” means the virtual common fund determined by multiplying the total number of individuals on the Settlement Class List by \$540.68 for the HICM insureds and \$482.46 for the Twin City insureds. At the time that the parties executed a term sheet with all material terms of this settlement, the Settlement Fund amount was \$2,099,016.30 based on data then available; however, due to the likelihood that additional total loss claims were paid between the time the term sheet was executed and November 29, 2023 (the date Defendants ceased using the PSA in New Jersey and Missouri), Defendants will recalculate the Settlement Fund value prior to the filing of the Motion for Preliminary Approval.

38. “Valid Claim Form” means a timely Claim Form submitted by a Class Member who has not requested exclusion from the Settlement, on paper or via the Settlement website established by the Claims Administrator, signed (electronically or on the paper form) by the Class Member, stating that they “affirm that the response I provided above is true and correct to the best of my knowledge” and where the question on the claim form has been answered with a “Yes”, “No”, or “I don’t remember”, as set forth in **Exhibit “A”** hereto.

## **II. CONSOLIDATION OF ACTIONS.**

39. The Parties agree for efficiency of the parties and the Court, Plaintiffs will dismiss the currently pending Actions without prejudice within seven days of the execution of this Agreement. Plaintiffs will file the Combined Action, in a form mutually agreed, in the State of Connecticut. The Combined Action shall be limited to those claims that remain in the Actions. The Parties agree that the statute of limitations for the claims in the currently pending Actions will be tolled, and the newly filed Combined Action will relate back to the statute of limitations based on the original date of filing in the currently pending Actions (each of which will be treated separately for purposes of the limitations period). To the extent the Settlement is not effectuated, the Parties agree that any re-filing of the claims in Actions, including as to the proposed Class therein, will related back, and be tolled to, the statute of limitations as of the date the Actions were each originally filed. All filings relating to the Settlement shall be in the Combined Action.

### **III. CESSATION OF THE PSA.**

40. Not later than the day following the execution of this Agreement, Defendants shall cease applying the PSA when calculating the actual cash value of total loss vehicles within New Jersey and Missouri. Defendants represent that they ceased applying the PSA in New Jersey and Missouri respectively to claims after November 29, 2023.

### **IV. CLAIMS PROCEDURE AND PAYMENT.**

41. To receive payment under this Settlement, Class Members must submit a Valid Claim Form emailed or postmarked by the Initial Claim Form Submission Deadline.

42. Deficiency notices will be sent by the Claims Administrator within thirty (30) days after the Initial Claim Form Submission Deadline to Claimants who have timely submitted Deficient Claim Forms, identifying the deficiency and providing the Claim Form to be corrected.

Any Deficient Claim Forms shall be subject to having the deficiencies corrected and timely returned by claimants within thirty (30) days of the date of mailing of the deficiency notice. All corrected claim forms must be postmarked on or before thirty (30) days after the mailing of the deficiency notice to be considered. Upon proper completion and timely return, such Deficient Claim Forms shall be considered Valid Claim Forms. Claim Forms that are not timely returned, or are returned but still contain deficiencies, will be considered invalid.

43. A Claimant who submits a Valid Claim Form will not be eligible to receive payment if the Class Member answers “Yes” on the Claim Form to the following question: Did you resolve your total loss claim via appraisal (where you and Hartford both appointed appraisers to value your claim) or via a lawsuit that led to a settlement or judgment? Claimants will be offered the option of answering “I don’t remember” to the question. An answer of “I don’t remember” would not be automatically disqualifying but would permit Defendants to manually review the claim and dispute its payment. Answers of “No” will be accepted by Defendants without the opportunity to review. Answers of “Yes” will be accepted by Plaintiffs without the opportunity to review.

44. The Claims Administrator shall submit a list of the Valid Claim Forms received periodically, as frequently as requested, or, if not requested, every thirty (30) days, to Class Counsel and Defendants’ Counsel (“Claim Report”). The Claim Report shall indicate if any of the claims fall into the criteria set out in Paragraph 43. Within a reasonable time after receipt of the Claim Report from the Claims Administrator, Defendants shall provide the final Mitchell valuation report associated with each Valid Claim Form to Class Counsel, except those that answer “Yes” to the question in Paragraph 43.

45. Defendants shall thereafter calculate the PSA Impact Amount for each Valid Claim Form based on the final Mitchel valuation report pulled in connection with each claim. Any claim form in which the Class Member answers “Yes” in Paragraph 40 shall have a PSA Impact amount of \$0. Defendants will provide monthly reports to Class Counsel regarding such calculations. Defendants shall have up to ninety (90) days after the Final Claim Form Submission Date to submit to Class Counsel and the Claims Administrator the final PSA Impact Amount that Defendants have calculated for each Class Member (the “Final PSA Impact Amount Calculation Report”). The Parties recognize that for some Class Members, there will be no PSA Impact Amount if a Mitchell valuation report was not used, or the Mitchell valuation report did not contain PSA adjustments to comparable vehicles. In such instances, the PSA Impact Amount shall be \$0.

46. Class Counsel shall have up to thirty-five (35) days after Defendants have provided the Final PSA Impact Amount Calculation Report to challenge the calculation of the PSA Impact Amount. Defendants shall also have up to thirty-five (35) days after the Final PSA Impact Amount Calculation Report to assert any challenges to the validity of a Class Member Claim who answered “I don’t remember” to the question asked (the “Challenge Process”).

47. Where a Class Member responded “I don’t remember,” Defendants may object to the claim, and if in fact the claim was resolved via appraisal or litigation, no payment shall be owed.

48. If either Party disputes the calculation of the PSA Impact Amount as provided in the Final PSA Impact Amount Calculation Report or asserts an objection pursuant to Paragraph 46, the Parties will first work together to resolve that dispute. If the dispute cannot be resolved

within 28 days for any given claim, then it shall be submitted to the Claims Administrator for resolution.

49. The Claims Administrator shall resolve any challenges raised by the Parties that are not resolved by mutual agreement within a reasonable period after the deadline for such challenges (no more than 60 days following the challenge deadline in Paragraph 46) and shall then prepare a Final Adjusted PSA Impact Calculation Report, which shall consider any alterations in calculations made as a result of the Challenge Process.

50. Payment to Class Members (“Settlement Payments”) shall be equal to the PSA Impact Amount, if any, as calculated in the Final Adjusted PSA Impact Calculation Report, after a proportionate deduction for attorneys’ fees, costs, and Class Representative Service Awards. If, for example, the Court approves attorneys’ fees and costs and Service Awards that equate to 26% of the Settlement Fund, each payment to Class Members who submit Valid Claim Forms will be reduced by 26%. Any portion of the virtual Settlement Fund that is not paid as a Settlement Payment or as Class Counsel fee or costs, or Service Awards will remain the property of Defendants and will not be subject to the applicable escheat laws, nor be considered as residual funds under any law, and not otherwise subject to the doctrine of *cy pres* or its equivalent.

51. Defendants shall transfer funds to the Claims Administrator for the purposes of making the Claim payments to Eligible Class Members as set forth in Paragraph 50 within twenty-one (21) days after the Challenge Process is complete and the Final Adjusted PSA Impact Calculation Report is sent to the Parties by the Claims Administrator. The Claims Administrator will disburse to Eligible Class Members funds promptly thereafter.

52. The Releasing Parties fully understand and intend, upon advice of counsel, that, pursuant to this Agreement, the payments set forth above (except the Service Awards to the Class Representatives discussed below) shall be the only payment any or all of them will ever receive from the Released Parties relating in any way whatsoever to the Actions and the Policies and their total loss settlements and as to any and all possible claims related to and/or associated with any of the foregoing.

53. If, among all checks that have been disbursed to Eligible Class Members, there are checks that have not been cashed within one hundred and eighty (180) days of the check's date, or are returned as undeliverable, and no deliverable address can be identified through reasonable efforts, the Claims Administrator shall stop payment on those uncashed checks, and the payment to the Eligible Class Member shall be deemed as having never been made; provided, however, that if a new address is located on a returned check, or an Eligible Class Member contacts the Claims Administrator, Class Counsel or Defendants within one hundred eighty (180) days of the date that payment, if any, was originally sent and establishes that they did not receive a check or requests a reissuance of the check, the Claims Administrator shall issue a replacement check. If the replacement check has not been cashed within one hundred eighty (180) days of the check's date, the Claims Administrator shall stop payment on the uncashed check, and the payment to the Eligible Class Member shall be deemed as having never been made. The funds from any uncashed checks will remain the property of Defendants and will not be subject to the applicable escheat laws, not be considered as residual funds under any law, and shall not otherwise subject to the doctrine of *cy pres* or its equivalent.

## **V. CLAIMS ADMINISTRATOR.**



54. The Parties agree to recommend to the Court that KCC, LLC shall act as the Claims Administrator and shall be designated as the "Claims Administrator." The Claims Administrator shall: (i) oversee the provision of the notice program to the Class; (ii) oversee identification of addresses for any returned mail, and remaining notice; (iii) process Claim Forms which are received; (iv) contact Class Members by mail, whose Claim Forms are deficient to attempt to obtain a cured form; (v) process any cured Claim Forms; (vi) send Claim Forms to Defendants to enable Defendants to provide the relevant Mitchell reports (to the extent available); (vii) resolve any challenges that are not resolved by the Parties; (viii) establish a website for the submission of electronic Claim Forms and make relevant documents and updates on the status of the settlement available to Class Members; (ix) provide a certification upon completion of the claims process to the Court regarding the administration and processing of claims and, the issuance of the payments to the Claimants as set forth herein; and (x) issue checks to Eligible Class Members, subject to the other provisions of this Agreement.

55. The Parties will jointly supervise the Claim Administrator.

56. Defendants shall incur and be solely responsible for the costs of Claims administration. Such costs shall be paid separately by Defendants in addition to and not out of the virtual Settlement Fund. Such costs include, without limitation, the reasonable costs of notice to the Class Members; the reasonable costs, after having cross checked the Settlement Class List addresses for current or more up to date addresses in their own databases, of updating the addresses of Class Members from the National Change of Address Data Base, "True Trace", or equivalent service; preparing the Short Form Notice, Long Form Notice, Email Notice and Claim Form; mailing of the Short Form Notice and Claim Form and provision of Email Notice; processing the Claims; and costs associated with the services of the Claims Administrator to

undertake any duties required to assist in the management of this Settlement, including, but not limited to, sending and processing deficiency notices and correspondence, and establishment of a website concerning the Settlement and providing for online submission of Claim Forms.

#### **VI. NOTICE AND ADMINISTRATION OF SETTLEMENT.**

57. No later than thirty (30) days after the Preliminary Approval of this Settlement, the Claims Administrator shall send a copy of the Short Form Notice and Claim Form (or Claim Forms if a Class Member has multiple claims), pre-printed with the Class Member's name and most recent address, the date of the loss, and the vehicle make and year (based on Defendants' records), via postcard, pre-paid postage, to each Class Member ("Mailed Notice"). Prior to any mailing, the Claims Administrator shall update all addresses on the Settlement Class List by running the addresses thereon through the National Change of Address Data Base, "True Trace", or equivalent service. The Short Form Notice and Claim Form will be approved as to form and content by the Court and be in the form attached hereto as **Exhibit "A"** unless otherwise modified by agreement of the Parties and approved by the Court.

58. Mailed Notice shall be sent once by the Claims Administrator.

59. If any Short Form Notice and Claim Form mailed to any Class Member in accordance with the procedure set forth in Paragraph 57 is returned to the Claims Administrator as undeliverable, then the Claims Administrator shall re-send it to the Class Member by first-class mail if any forwarding address is provided by the United States Postal Service ("Renewed Mail Notice"). The Claims Administrator will promptly log each Short Form Notice that is returned as undeliverable and provide copies of the log to Defendants and Class Counsel as requested.

60. Renewed Mail Notice shall be sent once by the Claims Administrator. If any Renewed Mail Notice sent to any Class Member is returned to the Claims Administrator as undeliverable, no further efforts shall be made, via the Claims Administrator.

61. A website for the Settlement administration will be established by the Claims Administrator wherein Long Form Notice, the Short Form Notice and Claim Form, the Agreement, approval papers, and any further necessary information, will be made available to the Settlement Class by the Claims Administrator. The website shall provide for the filling in and submission of Claim Forms electronically.

62. E-mail Notice shall also be sent to each Class Member on one occasion, on a date decided by the Claims Administrator, but no later than fifteen (15) days after the Short Form Notice and Claim Form is mailed, to the extent Defendants have e-mail addresses available, and shall include a hyperlink to the Claim Form on the Settlement Website. The Claim Form on the Settlement Website will prepopulate with a unique code found on the E-mail Notice.

63. Long-form notice shall be sent to Class Members who request it.

64. The Claims Administrator shall retain a record of all notice procedures detailed in this Agreement and provide periodic updates to the Parties prior to the Final Claim Form Submission Deadline

65. Neither Defendants, Released Parties, Plaintiffs, nor any of their counsel, shall be liable for any act, or failure to act, of the Claims Administrator.

## **VII. DECEASED CLASS MEMBERS.**

66. Where a Class Member is deceased and a payment is due to that Class Member, the Settlement Payment may be made to such Class Member's Legally Authorized Representative.

## **VIII. COMMUNICATIONS WITH THE CLASS**

67. The Short Form Notice shall list Class Counsel's addresses, telephone numbers and e-mail addresses. Other than as provided for in this Agreement, communications relating to the Actions or this Settlement with Class Members shall be handled through the Claims Administrator, which will make available a mechanism for Class Members to reasonably contact the Claims Administrator via phone or email and will answer Class Members' questions using a script to be agreed upon by the Parties and can further take names, addresses, and relevant information to send out Long-form Notices. Neither Class Counsel, nor anyone acting on behalf of Class Counsel shall initiate any communications with Class Members prior to the Final Claim Form Submission Deadline except when necessary to answer a specific Class Member's question(s) or to provide specific assistance in completing Claim Forms. Nothing in this Agreement shall be construed to prevent Defendants, their employees, agents or representatives from communicating with Class Members in the normal course of their business operations. Nothing in this Agreement shall be construed to prevent Class Counsel from communicating with their clients in response to inquiries, including Settlement Class Members, consistent with this Settlement.

## **IX. ATTORNEYS' FEES, CLASS REPRESENTATIVE AWARDS, AND COSTS.**

68. Attorneys' fees and costs were not negotiated by Class Counsel and Defendants, nor agreed upon, until all other material terms of the Settlement were resolved. Class Counsel will submit their fee and cost request, and any request for Service Awards for the Class Representatives, to the Court. Class Counsel will not ask the Court for attorneys' fees in any amount beyond 25% of the Settlement Fund (based on the fund value calculated at the time the term sheet was signed, such fees would be no less than \$524,754.07 if a 25% fee is awarded),

and out-of-pocket costs of up to \$XXX. Class Counsel will request a Class Representative Service Award for Plaintiffs JANET HOBSON and ROY SCHOENHOLTZ of \$5,000 each for their services as class representatives. Defendants will not oppose an award of attorneys' fees, costs, or Class Representative Service Awards of up to the amounts set forth in this Paragraph. Any attorneys' fees and costs, and any Class Representative fees, awarded by the Court will be paid to Class Counsel and Plaintiffs, respectively, no later than twenty-one (21) days after the Effective Date. Such payment shall be made by a check or wire issued to Shamis & Gentile, P.A. (South Florida Injury Attorneys P.A. IOTA Trust Account) unless other delivery instructions are provided to Defendants' counsel in writing by Class Counsel.

69. The amounts set forth in Paragraph 68 shall constitute all the sums the Defendants shall ever pay to Class Counsel as attorneys' fees, costs, or expenses. Defendants shall have no responsibility for and shall have no liability whatsoever with respect to the allocation among Class Counsel and/or any other person who may assert a claim thereto, of any attorneys' fees, costs, or expenses that the Court may award. Class Counsel and/or the Class Representatives agree in all events that they will neither ask for nor receive or accept any more than the maximum amount of fees and/or costs set forth in Paragraph 63 above. Any award by the Court or any appellate court of attorneys' fees and costs, or Class Representative fees, to be paid by Defendants in excess of the maximum award agreed upon herein, shall not be executed upon in any fashion by Class Counsel and/or the Class Representatives.

**X. CONDITIONS OF SETTLEMENT AND EFFECT OF DISAPPROVAL, CANCELLATION OR TERMINATION OF AGREEMENT.**

70. Plaintiffs, the Class Members, and Defendants consent to the entry of a Final Approval Order and Judgment in a form agreed to mutually by the Parties prior to Plaintiffs moving for final approval of this proposed Settlement Agreement.

71. Within twenty-eight (28) days after notice of the occurrence of any of the following events, the Defendants shall have the right, exercisable in their sole discretion, to terminate this Settlement by delivering written notification of such election to Class Counsel:

(a) The Court, or any appellate court(s), rejects, denies approval, or disapproves the Settlement or any portion of this Settlement, including, but not limited to, the terms of the Settlement, Settlement Class relief, the provisions relating to notice, and the Released Claims;

(b) The Court, or any appellate court(s), does not enter or completely and unconditionally affirm any portion of the Settlement, Preliminary Approval Order, or Final Approval Order and Judgment; or

(c) Any financial obligation is imposed upon Defendants in addition to and/or greater than those specifically accepted by Defendants in this Settlement.

(d) In the event that 5% or more of Class Members opt out or file requests for exclusion.

If Defendants exercise their right of termination pursuant to this Paragraph, this Settlement shall be null and void and of no force and effect.

72. If the Settlement shall fail for any reason other than a breach by one of the Parties:

(a) This Settlement shall have no further force or effect, and all proceedings that have taken place with regard to this Settlement shall be without prejudice to the rights and contentions of the Parties hereto and any of the Class Members;

(b) This Settlement, all of its provisions and all negotiations, statements and proceedings relating to them shall be without prejudice to the rights of any of the Parties,

each of whom shall be restored to their respective positions existing immediately before settlement negotiations and the execution of this Settlement;

(c) Defendants shall not be obligated to make any payments or provide any other monetary or non-monetary relief to Plaintiffs or the Class Members, any attorneys' fees or expenses to Class Counsel, or any Class Representative Service Awards to the Class Representatives;

(d) This Settlement, any provision of this Settlement and the fact of this Settlement having been made, shall not be admissible or entered into evidence for any purpose whatsoever;

(e) Any judgment or order entered after the date of this Settlement will be vacated and will be without any force or effect. The Parties hereto agree that they will promptly file a joint motion with the Court to vacate all orders entered pursuant to the terms of this Settlement; and

(f) The Parties hereby agree that they will not thereafter argue or raise a claim or defense, including, but not limited to, waiver, estoppel and other similar or related theories, that the Settlement and related pleadings and filings, any provision of this Settlement, the fact of this Settlement having been made, and any settlement negotiations preclude Defendants from opposing certification or the claims in the Actions or in any other proceeding. The Parties further agree that, to the extent permitted by law, neither this Agreement, nor any of its terms or provisions, nor any of the negotiations or proceedings connected therewith, including any actions Defendants take to execute the Agreement (such as discontinuing the PSA) shall be offered as evidence, received in evidence or used as precedent in any pending or future civil, criminal, or administrative

action or proceeding, to establish any liability or admission by Defendants, except in any proceedings brought to enforce the Agreement.

This Section shall survive any termination of this Agreement and Settlement.

73. Upon the preliminary approval of this Settlement by the Court, as evidenced by entry of the Preliminary Approval Order, all proceedings in the Combined Action shall be stayed until further order of the Court, except such proceedings as may be necessary either to implement the Settlement or to comply with or effectuate the terms of this Agreement.

74. If any of the events or conditions described above are not met or do not occur, this entire Agreement shall become null and void, except that the Parties shall have the option to agree in writing to waive the event or condition and proceed with this Settlement, in which case the Effective Date shall be deemed to have occurred on the date of said written agreement, or a date otherwise specified in said written agreement.

#### **XI. OBJECTIONS AND REQUESTS FOR EXCLUSION.**

75. Class Members who wish to exclude themselves from the Settlement Class must prepare a written request for exclusion, which must be received by the Claims Administrator no later than forty-five (45) days after the mailing of the Short Form Notice and Claim Form.

Written requests for exclusion must be signed and include the case name, the individual's name, address, and telephone number, and expressly state the desire to be excluded from the Settlement Class. Requests for exclusion must be exercised individually by the Class Member, not as or on behalf of a group, class, or subclass, except that such exclusion requests may be submitted by a Class Member's Legally Authorized Representative.

76. Class Members who do not opt out may object to the Settlement. Class Members who choose to object to the Settlement must file an Objection no later than forty-five (45) days



after mailing of the Short Form Notice and Claim Form. Any Class Member who files such an objection may appear at the Final Settlement Hearing, in person or by counsel, and be heard to the extent allowed by the Court, applying applicable law, in opposition to the fairness, reasonableness and adequacy of the Settlement, and on the application for an award of attorneys' fees and costs. The right to object to the Settlement must be exercised individually by an individual Class Member, not as a member of a group or subclass and, except in the case of a deceased, minor, or incapacitated Class Member, not by the act of another person acting or purporting to act in a representative capacity.

77. To be effective, an Objection to the Settlement must:

- (a) Contain a heading that includes the name of the case and case number;
- (b) Provide the name, address, telephone number and signature of the Class Member filing the Objection;
- (c) Be filed with the Clerk of the Court, and served on Class Counsel and counsel for Defendants, not later than forty-five (45) days after mailing of the Short Form Notice and Claim Form.
- (d) Contain the name, address, bar number and telephone number of the objecting Class Member's counsel, if represented by an attorney. If the Class Member is represented by an attorney, they must comply with all applicable laws and rules for filing pleadings and documents in this Court; and
- (e) State whether the objector intends to appear at the Final Settlement Hearing, either in person or through counsel.

78. In addition to the foregoing, an Objection must contain the following information, if the Class Member or representing attorney requests permission to speak at the Final Settlement Hearing:

- (a) A detailed statement of the specific legal and factual basis for each and every objection; and
- (b) A detailed description of any and all evidence the objector may offer at the Final Settlement Hearing, including photocopies of any and all exhibits which the objector may introduce at the Final Settlement Hearing.

79. All objectors shall make themselves available to be deposed by any Party in the county of the objector's residence within seven (7) days of service of the objector's timely Objection (though the objector and Party may agree to a later date).

80. Any Class Member who does not file a timely Objection in accordance with this Section shall waive the right to object or to be heard at the Final Settlement Hearing and shall be forever barred from making any objection to the Settlement, or from filing or having standing to appeal any judgment or Orders issued by the Court. Class Members who object to the Settlement shall remain Class Members, and have voluntarily waived their right to pursue an independent remedy against Defendants. To the extent any Class Member(s) objects to the Settlement, and such objection is overruled in whole or in part, such Class Member(s) will be forever bound by the Judgment of the Court.

## **XII. REPRESENTATION OF OPT OUTS.**

81. Class Counsel agree that any representation, encouragement, solicitation or other assistance, including, but not limited to, referral to other counsel, of any Opt Out or any other person seeking to litigate with any of the Released Persons over any of the

Released Claims or to represent any form of opt-out class, could place Class Counsel in an untenable conflict of interest with the Class. Accordingly, Class Counsel and their respective firms agree (only to the extent that it is otherwise not violative of any applicable rules governing the practice of law) not to represent, encourage, solicit or otherwise assist, in any way whatsoever (including, but not limited to referrals to other counsel) any Opt Out except that referring such person to the Short Form Notice or Long Form Notice or suggesting to any such person the option of obtaining separate counsel, without specifically identifying options for such counsel, shall be permitted under the terms of this provision.

### **XIII. CONFIDENTIALITY AGREEMENT.**

82. The following constitutes highly confidential and proprietary business information of Defendants (the “Confidential Information”): (a) the names, addresses, policy numbers, and other data and personally identifiable information concerning any insured of Defendants, including but not limited to those on the Settlement Class List; (b) the electronic data processing and other record keeping procedures and materials to be utilized by Defendants in identifying the Class Members, the Settlement Class List of insureds and in otherwise effectuating Defendants’ other obligations under the Settlement; (c) any Mitchell valuation reports provided by Defendants to Class Counsel or the Claims Administrator as part of the Settlement negotiation or the Settlement administration process; and (d) any documents produced by Defendants to Plaintiffs in the Actions that have been stamped confidential or by the document’s nature or content is commonly recognized or understood to contain confidential or proprietary business information. The confidentiality of all Confidential Information shall be protected from disclosure by Class Counsel to any persons other than those described below.

83. No person(s) other than Defendants' counsel, Class Counsel, and clerical/administrative personnel employed by Class Counsel, the Claims Administrator and such other persons as the Court may order, after hearing on notice to all counsel of record, shall be allowed access to any Confidential Information.

84. Within thirty (30) days after completion of the Settlement fund distribution process, Class Counsel shall return, upon written request, to Defendants all Confidential Information and copies thereof in their possession, custody, or control and delete any electronic copies of Confidential Information, or if requested by Defendants, delete or destroy all such information, and represent to Defendants in writing that all such information has been returned, deleted or destroyed.

85. Also in furtherance of this confidentiality provision, Class Counsel and the Class Representatives agree not to make any statements to the media or in any public forum, orally or in writing, about the Actions, or this Agreement, other than statements which are fully consistent with this Agreement and the Class Notice.

#### **XIV. DISMISSAL OF ACTIONS, RELEASES AND COVENANTS NOT TO SUE.**

86. Upon the Court's final approval of this Agreement and the Settlement set forth herein, the Final Approval Order and Judgment shall be entered providing for the dismissal of the Combined Action, with prejudice and without leave to amend, which includes the release by the Plaintiffs, the Releasing Parties and the Class Members, and including their past, present or future agents, legal representatives, trustees, parents, relatives, estates, heirs, executors and administrators, of all Released Claims against all Released Persons.

87. Upon Final Approval of the Settlement, and as of the Effective Date, by operation of the entry of the Final Approval Order and Judgment, the Releasing Parties and each Class

Member, including Plaintiffs, and including their past, present or future agents, legal representatives, trustees, parents, relatives, estates, heirs, executors and administrators, upon final approval of the Settlement, shall be held to have fully released, waived, relinquished and discharged all the Released Persons from all the Released Claims, to the fullest extent possible allowed by law, and shall be enjoined from continuing, instituting or prosecuting any legal proceeding against the Released Persons relating in any way whatsoever to the Released Claims, except that Defendants shall not be released from its obligations to carry out the terms of this Agreement.

**XV. DENIAL OF LIABILITY / NO PRECEDENTIAL VALUE.**

88. Were it not for this Settlement, Defendants would have continued to contest each and every claim in the Actions. Defendants maintain that they have consistently acted in accordance with governing laws at all times. Defendants deny all the material allegations set forth in the Actions. Defendants have nonetheless concluded that it is in its best interest that the Actions be settled on the terms and conditions set forth in this Agreement. Defendants have reached this conclusion after considering the factual and legal issues in the Actions, the substantial benefits of a final resolution of the Actions, the expense that would be necessary to defend the Actions through trial and any appeals that might be taken, the benefits of disposing of protracted and complex litigation, and the desire of Defendants to conduct their business unhampered by the distractions of continued litigation.

89. As a result of the foregoing, Defendants enter into this Agreement without in any way acknowledging any fault, liability, or wrongdoing of any kind. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, nor any actions undertaken to fulfill the terms of the Agreement (such as cessation of the PSA) shall

be construed as an admission or concession by Defendants of the truth of any of the allegations made in the Actions, or of any liability, fault, or wrongdoing of any kind whatsoever on the part of Defendants.

90. To the extent permitted by law, neither this Agreement, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be offered as evidence or received in evidence in any pending or future civil, criminal, or administrative action or proceeding, to establish any liability or admission by Defendants except in any proceedings brought to enforce the Agreement. The Released Parties may file this Agreement in the Combined Action for purposes of obtaining approval of the same and in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim. This Agreement may not be used in any action as support for a claim against Defendants relating to the PSA.

91. Defendants agree not to oppose the certification of the proposed Settlement Class for settlement purposes only. Neither this Agreement, nor any pleading or other paper related in any way to this Agreement, nor any act or communication in the course of negotiating, implementing or seeking approval of this Agreement, shall be deemed an admission by Defendants that certification of a class or subclass is appropriate in this or any other litigation, or otherwise shall preclude Defendants from opposing or asserting any argument it may have with respect to certification of any class(es) or subclass(es) in any proceeding (including these Actions or the Combined Action if Settlement is not approved), or shall be used as precedent in any way as to any subsequent conduct of Defendants except as set forth herein.

## **XVI. MISCELLANEOUS PROVISIONS.**

92. The Parties hereto agree to defend this Agreement against Objections made to final approval of the Settlement or in any appeal of the Final Approval Order and Judgment or collateral attack on the Agreement or Final Approval Order and Judgment.

93. The claims-made nature of this Agreement is a material term. But for the claims made nature of this Agreement, Defendants would not have agreed to settle this Action under the terms set forth herein.

94. The undersigned counsel represent that they are fully authorized to execute and enter into the terms and conditions of this Agreement on behalf of their respective clients.

95. This Agreement contains the entire agreement between the Parties hereto, and supersedes any prior agreements or understandings between them. All terms of this Agreement are contractual and not mere recitals, and shall be construed as if drafted by all Parties hereto. The terms of this Agreement are and shall be binding upon each of the Parties hereto, their agents, attorneys, employees, successors and assigns, and upon all other persons claiming any interest in the subject matter hereof through any of the Parties hereto, including any Class Member.

96. This Agreement may be amended or modified only by a written instrument signed by counsel for all parties hereto. Amendments and modifications may be made without additional notice to the Class Members unless such notice is required by the Court.

97. This Agreement shall be subject to, governed by, construed, and enforced pursuant to the laws of the State of Connecticut.

98. The exhibits to this Agreement are an integral part of the Settlement and are hereby incorporated into and made a part of this Agreement.

99. To the extent permitted by law, this Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of this Agreement.

100. This Agreement shall be deemed to have been executed upon the last date of execution by all the undersigned Parties.

101. This Agreement may be executed in counterparts, each of which shall constitute an original.

102. In the event the Parties disagree over the meaning of this Agreement, they will work in good faith to resolve any such disagreements and will seek assistance from Mediator Linda Singer of JAMS in the event they are unable to resolve such disagreements prior to instituting any litigation relating to such disagreement.

103. The Parties will request that the Court retain continuing jurisdiction for the specific purpose of any suit, action, proceeding or dispute arising out of or relating to this Agreement and the Settlement embodied herein, and maintain jurisdiction over all Class Members. Specifically, the Court shall retain jurisdiction for purposes of: (a) implementation, enforcement, and administration of the Settlement, including any releases in connection therewith; (b) resolution of any disputes concerning Settlement Class membership or entitlement to benefits under the terms of the Settlement that are not otherwise subject based on the Parties' prior agreement to be resolved by the Claims Administrator; (c) enforcing and administering this Agreement; and (d) other matters related to the foregoing.



104. Titles of sections to this Agreement are illustrative only and are neither binding on the Parties nor to be considered any part of the drafting history or other means of interpreting this Agreement.

IN WITNESS HEREOF, the undersigned, being duly authorized, have caused this Agreement to be executed on the dates shown below.

[Rest of page intentionally left blank. Signatures on following page.]

**For HARTFORD INSURANCE COMPANY OF THE MIDWEST and TWIN CITY FIRE INSURANCE COMPANY:**

Dated: 12/22/2023

DocuSigned by:



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Brendon Kelly

Dated: 12/21/2023

DocuSigned by:



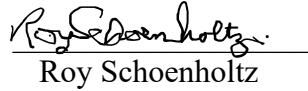
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Kim E. Rinehart  
Wiggin & Dana LLP

**For Plaintiffs and members of the proposed Settlement Class:**

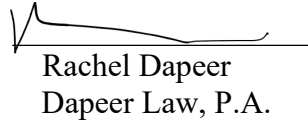
Dated: 12 / 21 / 2023

  
Janet Hobson

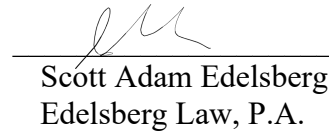
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Roy Schoenholtz

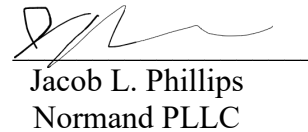
Dated: 12 / 21 / 2023

  
Rachel Dapeer  
Dapeer Law, P.A.

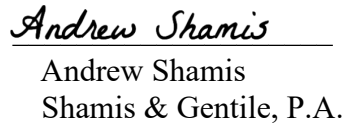
Dated: 12 / 22 / 2023

  
Scott Adam Edelsberg  
Edelsberg Law, P.A.

Dated: 12 / 22 / 2023

  
Jacob L. Phillips  
Normand PLLC

Dated: 12 / 21 / 2023

  
Andrew Shamis  
Shamis & Gentile, P.A.