

SETTLEMENT AGREEMENT

This settlement agreement (“Settlement” or “Settlement Agreement”) is entered into between Plaintiffs Charles Miller (“Plaintiff Miller”) on the one hand (“Plaintiff”), and Defendants Trumbull Insurance Company (“Trumbull”), Hartford Insurance Company of the Southeast (“HICS”), Twin City Fire Insurance Company (“Twin City”), Hartford Underwriters Insurance Company (“HUIC”), Hartford Insurance Company of the Midwest (“HICM”), and Hartford Casualty Insurance Company (“HCIC”) on the other hand (collectively referred to as “Hartford” or “Defendants”). Plaintiff and Defendants may be referred to individually as a Party or collectively as “Parties.” The Parties desire to resolve their differences and therefore have agreed, subject to Court approval, to a full and final settlement on the following terms:

1. *Charles Miller v. Trumbull Insurance Company*, Case No. CV2022-010505 shall be referred to as the “Miller Action” or, after amendment, as the “Omnibus Action.”
2. The Miller Action shall be amended to form the Omnibus Action via amendment to add HISC, Twin City, HUIC, HICM and HCIC as defendants. For purposes of this Settlement only, the Parties agree that the class period for individuals insured by the newly added defendants shall begin October 10, 2017. (If, for any reason, the Agreement is not approved, the Parties agree that the limitation period for the newly added Defendants would run from the filing of the amended complaint in the Omnibus Action.) The Parties shall work together in good faith to agree to the form and substance of the amended complaint in the Omnibus Action. The Parties agree that all further proceedings relating to the class-wide Settlement Agreement shall take place in the Miller/Omnibus Action.
3. “Settlement Class” or “Class” shall be defined as: “All persons insured under one of Defendants’ personal lines automobile policies issued in Arizona that provided uninsured (“UM”) or underinsured (“UIM”) motorist coverage for more than one motor vehicle, and who received a claim payment equal to the limit of liability for the UM or UIM benefits for only one person/one vehicle (or whose payment was based on the limit of liability for UM or UIM coverage for only one vehicle where the full per accident single vehicle limit was paid to multiple individuals) and who were not notified of their right to select which vehicle’s coverage was applicable during the Class Period, as reflected in the agreed-upon list transmitted by Defendants’ counsel to Plaintiff’s counsel on May 29, 2024.”¹ Members of the Class may be referred to as “Class Members.”

¹ The Class Period shall be defined as follows: For individuals insured by Trumbull, their dates of loss occurred between August 11, 2016 through the date the Parties sign this Settlement Agreement, and for those who were

4. Defendants will verify and affirm that the list of insureds provided to Plaintiff's counsel accurately represents the individuals meeting the definition of the Settlement Class through and including the date that the Parties sign this Settlement Agreement.
5. "Settlement Class Members" shall mean all members of the Settlement Class who do not request exclusion.
6. "Effective Date" shall mean the first date after which the Settlement Agreement has been approved, judgment has been entered in a form substantially consistent with that agreed upon by the Parties, the Miller Action/Omnibus Action has been dismissed with prejudice and without leave to amend, and the deadline for appeal has passed without appeal, or all appeals have been exhausted such that the judgment is final.
7. Settlement Fund:
 - a. **Common Fund.** Defendants' total financial commitment under this Settlement Agreement shall be \$13,940,000.00 (the "Settlement Amount"), which includes all claim payments, attorneys' fees, and litigation expenses, class representative payments and administration costs. The Settlement Amount will be reduced if one or more members of the Settlement Class properly exclude themselves from the Settlement Class, as provided below. Within 30 calendar days of the court's granting of preliminary approval of the Settlement Agreement, Defendants shall pay from the Settlement Amount an amount sufficient to cover costs of administration (as determined by the Settlement Administrator) into an account established by the Settlement Administrator for the Settlement Fund, to cover any costs of administration prior to final approval. Within 30 calendar days after the Effective Date of this Settlement Agreement, the remainder of the Settlement Amount shall be paid into an account established by the Settlement Administrator for the Settlement Fund.
 - b. The Settlement Administrator shall hold the Settlement Fund in an interest-bearing account and administer the Settlement Fund, subject to the continuing jurisdiction of the Court and from the earliest possible date, as a qualified settlement fund as defined in Treasury Regulation § 1.468B-1 *et seq.* Any taxes owed by the Settlement Fund shall be paid by the Settlement Administrator out of the Settlement Fund. The interest earned in the aforementioned account shall be added to the Settlement Fund.
 - c. **Disposition of the Settlement Fund.** The Settlement Fund shall be applied as follows:

insured by the remaining Defendants, their dates of loss occurred between October 10, 2017 through the date the Parties sign this Settlement Agreement.

- i. To pay the costs of notice and the costs of administering the Settlement Agreement;
 - ii. After the Effective Date, to pay any approved attorneys' fees and expenses to Class Counsel, and any service award to the Class Representative;
 1. Class Counsel agrees not to seek an award of attorneys' fees of more than 30% of the Settlement Fund and reasonable expenses expended in the litigation. Class Counsel agrees not to seek a service award of more than \$7,500 for the Class Representative.
 - iii. After the Effective Date, to reserve \$200,000 for the Supplementary Recovery Fund described below.
 - iv. After the Effective Date, to distribute the remaining amounts after deduction of the amounts in parts i-iii above (the "Net Settlement Fund") to the Settlement Class Members as set forth below.
- d. ***Allocation of Settlement.*** The Net Settlement Fund shall be allocated to the Settlement Class Members in proportion to their relative valuation of damages ("Claim Value"). Class Counsel, in consultation with experts, considered the following factors in determining the Claim Value: The proportional valuation of each Settlement Class Member's damages, the submitted medical bills and other economic damages, the proportion of such damages relative to policy limits, as well as payments already received by the Settlement Class Member. Once Claim Value has been determined, Class Counsel will discount a Settlement Class Member's Claim Value 20% if they previously signed a release, will discount a Settlement Class Member's claim 60% if their claim is untimely under A.R.S. § 12-555(c) (as determined by the date of indemnity payment or by the date of written notice of claim), and will discount a Settlement Class Member's claim 80% if they signed a release and their claim was untimely under the statute. Class Counsel shall prepare an exhibit identifying each Settlement Class Member and setting forth their percentage allocation of the Net Settlement Fund based on these settlement payments ("Initial Allocation"). If a Settlement Class Member believes that the Claim Value initially calculated does not fully represent their damages, they will be given the opportunity to submit a request to have their Claim Value modified based on further review by Plaintiff's counsel. The parties agree that \$200,000.00 of the Settlement Fund shall be set aside for these requests (the "Supplemental Recovery Fund"). If the total requests exceed \$200,000.00, the Supplemental Recovery Fund will be distributed proportionally among the Settlement Class Members making those requests. If the total requests are less than \$200,000.00, the remaining Supplemental Recovery Fund shall be added back to the Net Settlement Fund. The deadline to request an increase shall be the same date to request exclusion. After the deadline to request exclusion has passed and the exclusions are known, the Settlement Fund will be reduced for each excluded Settlement Class Member, based on their Initial Allocation percentage. The

percentage allocation of the Net Settlement Fund for the remaining Settlement Class Members shall be recalculated proportionally to reflect the reduction in Settlement Class Members and reduced Settlement Fund (“Final Allocation”).

- e. **Payment Process.** Within 90 calendar days of the Effective Date or such other later date as may be ordered by the Court, the Settlement Administrator, subject to such supervision and direction of the Court and the Parties as may be necessary or as circumstances may require, shall distribute payments of the Net Settlement Fund to the Settlement Class Members in accordance with the Final Allocation percentages. The Settlement Administrator shall mail checks to each of the Settlement Class Members. Each check shall state that the check shall be cashed within 90 days of the date the check is issued; otherwise it will become void. If a check becomes void, Class Counsel can have a check reissued upon a showing of good cause if the request is made within 90 days of the check becoming void.
 - f. Following distribution of the Net Settlement Fund as set forth above, if payments to Settlement Class Members remain uncashed or unclaimed after 90 days (or such other later date if the Court so orders), the funds attributable to those individuals shall be used to pay any unanticipated additional costs of settlement administration. If necessary, the Parties shall thereafter confer about the distribution of any remaining unclaimed funds either as a second distribution to Settlement Class Members already receiving settlement payments and, if impracticable, then to a *cypres* recipient. In no event shall unclaimed funds revert to any of Defendants. Any such distribution shall be subject to Court approval.
 - g. **Payment of Expenses.** The Parties agree that the costs associated with notice to Class Members and the costs of administration of the Settlement Fund shall come solely from the Settlement Fund. The notice and administration expenses are not recoverable if this Settlement does not become final, but only to the extent such funds are actually expended for notice and administration costs. Other than their obligation to pay the Settlement Amount into the Settlement Fund, Defendants shall not be liable for any costs of providing notice to the Settlement Class nor any other costs of administration of the Settlement Fund.
 - h. In the event that approval is not obtained, all funds remaining in the Settlement Fund shall be returned to Defendants.
8. **Medicare/Medicaid Liens.** The Parties agree that Defendants’ sole obligation is to fund the Settlement Fund and that Defendants shall be indemnified and held harmless from any Medicare or Medicaid liens, including any liens held by a Medicare Advantage Organization or Medicaid Care Organization.

By participating in the Settlement, Settlement Class Members agree to be responsible for satisfying any valid and enforceable liens held by Medicare/Medicaid and/or a private plan providing Medicare/Medicaid benefits as a condition of receiving their Settlement payment. Settlement Class Members agree to work with Class Counsel to identify and

resolve any such liens and recognize that any such liens may reduce the amount of the Settlement Class Member's ultimate payment. Settlement Class Members further agree to defend, indemnify and hold Defendants harmless from any claims arising out of a Medicare or Medicaid lien that they fail to resolve.

9. **Notice.** The Notice plan shall consist of direct notice via U.S. Mail to Class Members in substantially the form attached hereto as **Exhibit A**. For Class Members whose email addresses are available, the Notice shall also be sent via email.
10. **Settlement Administrator.** The Parties shall jointly select a settlement administrator ("Settlement Administrator") who shall be responsible for creating a settlement website, executing the Notice plan, and handling all aspects of settlement administration. Notice will be sent on or before a date to be set by the Court but no sooner than 30 days after preliminary approval of the Settlement is approved.
11. **Communication with Settlement Class Members.** After the Court enters the Preliminary Approval Order, Defendants shall provide to the Settlement Administrator and Class Counsel, the names, addresses, email addresses, and phone numbers of the Class Members. The Settlement Administrator and Class Counsel may freely communicate with Settlement Class Members after preliminary approval has been obtained. Class Counsel may not encourage any Settlement Class Member to request exclusion or to object to the Settlement Agreement.
12. **Release.** The Settlement Class Members agree to fully, finally and completely, release their claims as set forth below:
 - a. "Releasees" means Defendants, their past, present and future directors, officers, employees, agents, insurers, reinsurers, shareholders, attorneys, advisers, consultants, representatives, partners, affiliates, parents, subsidiaries, joint venturers, independent contractors, wholesalers, resellers, distributors, retailers, related companies, and divisions, and their predecessors, successors, heirs, and assigns.
 - b. "Releasers" means the Class Representative and Settlement Class Members, and their respective past, present and future agents, predecessors, successors, heirs, executors, administrators, representatives and assigns.
 - c. Releasers release and forever discharge Releasees from all claims, past, present, or future, brought in the Miller/Omnibus Action, or that could have been brought against the Defendants based on the facts and allegations in that action ("Released Claims") as of the Effective Date, including but not limited to claims for breach of contract, negligence, bad faith, declaratory relief, and violation of any consumer protection statute. Each Party to the Agreement and

each Party's successors, assigns, and representatives shall be bound by this Agreement, and it shall inure to their benefit.

13. **Approval Papers.** The Parties agree to work together in good faith to obtain approval of this Settlement Agreement. The Motion for Preliminary Approval, Proposed Preliminary Approval Order and Proposed Final Approval Order are attached as **Exhibits B, C, and D** hereto.
14. **Requests for Exclusion.** Class Members may request exclusion by submitting a written request for exclusion to the Settlement Administrator. Such request must be received (not post-marked) no later than forty-five (45) days after the mailing of Notice, or on such other date as set by the Court. Any request for exclusion must include:
 - a) Full name, address, and email of the Class Member;
 - b) The unique ID on the Settlement Class Member's Notice (if available);
 - c) The name of this case: *Charles Miller v. Trumbull Insurance Company, et al.*, Case No. 22-cv-01545-JJT;
 - d) A clear statement indicating that the Class Member wishes to be excluded from the Class; and
 - e) The Class Member's signature and date.
15. **Objections/Notices of Intent to Appear:** Any objection to the Settlement must be in writing and filed with the Court, with a copy mailed to Class Counsel and Defendants' Counsel. Any objection must be filed (not post-marked) no later than forty-five (45) days after the mailing of Notice, or on such other date as set by the Court. Any objection must include the following:
 - a) Settlement Class Member's full name, address, telephone number, and email;
 - b) The unique ID on the Settlement Class Member's Notice;
 - c) The name of this case: *Charles Miller v. Trumbull Insurance Company, et al.*, Case No. 22-cv-01545-JJT;
 - d) A statement of the objection(s), as well as the specific reasons for each objection, including any legal authority the individual wishes to bring to the Court's attention; and
 - e) If you are represented by counsel, the name, address and phone number of your counsel.

If the Settlement Class Member plans to attend the Fairness Hearing, they must provide a Notice of Intent to Appear. In addition to the above elements required for any objection, the Notice of Intent to Appear must include:

- a) A list of any witnesses they may call to testify at the hearing;
- b) Copies of any documents they may use as evidence in support of their objection;
- c) A list of any prior class action cases in which they have filed an objection.

16. **Excessive Opt-Outs.** If Class Members who hold at least 5% of the Net Settlement Fund elect to exclude themselves, Defendants shall have the option to terminate this Settlement Agreement.
17. **Authority.** Subject to the Court's approval of the Settlement, the Court's appointment of Robert Carey as Lead Class Counsel, and the Court's appointment of Plaintiff as the class representative, each signatory to this Agreement represents and warrants (a) that he, she, or it has all requisite power and authority to execute, deliver and perform this Settlement Agreement and to consummate the transactions contemplated herein, (b) that the execution, delivery and performance of this Settlement Agreement and the consummation by it of the actions contemplated herein have been duly authorized by all necessary corporate action on the part of each signatory, and (c) that this Settlement Agreement has been duly and validly executed and delivered by each signatory and constitutes its legal, valid and binding obligation.
18. **Advice of Counsel.** The Parties have relied upon the advice and representation of their respective counsel, selected by them, concerning the claims hereby released. The Parties have read and understand fully this Settlement Agreement and have been fully advised as to the legal effect hereof by counsel of their own selection and intend to be legally bound by the same.
19. **No Admission.** This Settlement is entered to avoid the burden and cost of further litigation. This Parties' Term Sheet, this Settlement Agreement, the Parties' negotiations, any filings in connection with this agreement or with obtaining preliminary or final approval of this agreement shall not be used as evidence of admission of liability or of wrongdoing of any kind in any civil, criminal, or administrative proceeding. Defendants agree not to oppose the certification of the proposed Settlement Class for settlement purposes only, subject to Defendants' right to review the filing of any motions relating to class certification. If the Parties do not agree on the substance of any such motions, Defendants may file a response identifying where they disagree, but any response cannot oppose certification or approval of the Settlement. 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 by or against Defendants, 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 this Action if Settlement is not approved).

However, the Settlement, this Settlement Agreement, and any acts performed and/or documents executed in furtherance of or pursuant to this Settlement Agreement and/or Settlement may be used in any proceedings as may be necessary to effectuate the provisions of this Settlement Agreement. Moreover, if this Settlement Agreement is

approved by the Court, any of the Released Parties may file this Settlement Agreement and/or the Final Approval Order in any action that may be brought against such parties 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.

20. **Exhibits.** All of the Exhibits to this Settlement Agreement are material and integral parts hereof and are fully incorporated herein by reference.

21. **Entire Agreement.** This Settlement Agreement and its Exhibits set forth the entire agreement and understanding of the Parties with respect to the matters set forth herein, and supersede all prior negotiations, agreements, arrangements and undertakings with respect to the matters set forth herein. No representations, warranties or inducements have been made to any Party concerning this Settlement Agreement or its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents. This Settlement Agreement may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest.

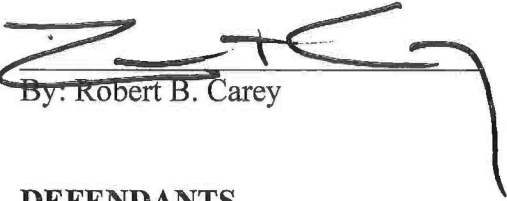
22. **Signatures/Copies.** This Agreement may be signed in counterparts. A copy of this Agreement shall be as valid as the original. The Parties may use Docusign for purposes of executing the document.

AGREED TO BY:

PLAINTIFF


Charles Miller (Jun 26, 2024 16:14 PDT)
By: Charles Miller Date: 26/06/24

PLAINTIFF'S COUNSEL


By: Robert B. Carey Date: 6/26/24

DEFENDANTS

By: Christine Zdrojeski Date: _____

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AGREED TO BY:

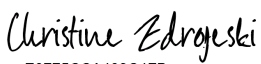
PLAINTIFF

_____ Date: _____
By: Charles Miller

PLAINTIFF'S COUNSEL

_____ Date: _____
By: Robert B. Carey

DEFENDANTS

DocuSigned by:

_____ Date: _____
By: Christine Zdrojeski

DEFENDANTS' COUNSEL

DocuSigned by:

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Date: 6/27/2024

By: Kim E. Rinehart