

If you have or had a cancer insurance policy through American Public Life or American Fidelity, you could get benefits from a class action settlement.

A state court authorized this legal notice. This is not a solicitation from a lawyer.

- A settlement has been reached in a class action lawsuit about whether American Public Life Insurance Company and American Fidelity Assurance Company (the “Defendants”) paid less than they should have under certain supplemental cancer insurance policies.
- Under the settlement, the Defendants will establish a \$17,250,000 settlement fund to make payments to eligible policyholders, as well as to cover lawyers’ fees, and court costs. The Defendants will also pay up to an additional \$250,000 to administer the settlement.
- Additionally, the Defendants will not raise premiums on active supplemental insurance policies for a period of 12 months after the policyholders’ next anniversary date. Current policyholders will also be given the option to switch, without penalty, to an alternative supplemental cancer insurance policy issued by the Defendants.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
RECEIVE A PAYMENT	If you are eligible to receive a payment you will get a letter. There is no action to take now.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to be part of any other lawsuit against the Defendants about the legal claims resolved in this settlement.
OBJECT	Write to the Court about why you don’t like the settlement.
GO TO A HEARING	Ask to speak in Court about the settlement.
DO NOTHING	Give up rights to sue the Defendants about the legal claims resolved in this settlement.

- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The Court in charge of this case has to decide whether to approve the settlement. Payments will be made only if the Court approves the settlement and after any appeals are resolved. Please be patient.

QUESTIONS? CALL TOLL-FREE 1-877-296-9978 OR VISIT WWW.CANCERINSURANCECLASS.COM

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BASIC INFORMATION

1. Why was this notice issued?

A Court authorized this notice because you have a right to know about a proposed settlement of this class action lawsuit and about all of your options, before the Court decides whether to give “final approval” to the settlement. This notice explains the lawsuit, the settlement, and your legal rights.

Judge G. Michael Canaday of the 14th Judicial District Court for the Parish of Calcasieu, State of Louisiana, is overseeing this class action lawsuit. The case is known as *Guidry v. American Public Life Insurance Company, et al.*, No. 2008-3465. The people who sued are called the “Plaintiffs,” and the parties they sued, American Public Life Insurance Company (“American Public Life”) and American Fidelity Assurance Company (“American Fidelity”) are called the “Defendants.”

2. What is the lawsuit about?

This lawsuit claims that the Defendants paid less than they should have paid to its policyholders. In particular, the lawsuit says that the term “actual charges”, as used in some American Public Life and American Fidelity policies, is not defined in the policy, and that they underpaid their policyholders for claims which involve benefits based on “actual charges.” The lawsuit says that the Defendants changed their payout practices without prior consent of their policyholders, to pay only the discounted charges accepted by medical providers according to Medicare, PPO or other primary health insurance plans. The Defendants deny that these allegations are true or that they did anything wrong. The Plaintiffs seek compensation and other benefits from the Defendants.

3. Why is this a class action?

In a class action, one or more people called “Class Representatives” (in this case, Darcy Guidry, Sally Guidry, Genita Domingue, Raymond Domingue, and Earl Wayman Tarpley), sue on behalf of people who have similar claims. All of these people are a “Settlement Class” or “Settlement Class members.” One court resolves the issues for all Settlement Class members, except for those who exclude themselves from the Settlement Class.

4. Why is there a settlement?

Both sides agreed to a settlement to avoid the cost and risk of a trial, and so that the people affected can get benefits. The settlement does not mean that the Defendants did anything wrong or that it violated any laws. The Class Representatives and the lawyers representing them think the settlement is best for all Settlement Class members.

WHO IS IN THE SETTLEMENT

To see if your rights will be affected by this settlement or if you can get anything from it, you first have to determine if you are a Settlement Class member.

5. How do I know if I am part of the settlement?

The Court decided that the Settlement Class includes anyone in the United States, who had their policies issued in a state other than Oklahoma, who have purchased supplemental cancer insurance policies

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having one or more "actual charges" benefits from American Public Life Insurance Company and/or American Fidelity Assurance Company and either:

(1) has made one or more claims under that policy where (a) there was a difference between the billed charge and the amount paid and (b) the term "actual charge" was not defined in the policy or by law, or

(2) is currently a policyholder of one of the following "actual charges" cancer policies:

INSURER	POLICY FORM
American Fidelity	C-3
American Fidelity	C-4
American Fidelity	C-5
American Fidelity	C-489
American Public Life	APL1
American Public Life	APLD
American Public Life	APLIC1
American Public Life	APLIC2
American Public Life	APLIC3
American Public Life	BDCPA (issued on or after 4/28/1987)
American Public Life	C440
American Public Life	GCPW
American Public Life	SCSD1 (issued on or after 4/28/1987)

Please note that the settlement does not include claims made after September 1, 2005 on policies that were issued in Texas and claims made after May 3, 2006 on policies that were issued in Georgia, regardless of where you currently live.

6. I'm still not sure if I'm included in the settlement.

If you are not sure whether you are included in the Settlement Class, you may call toll free 1-877-296-9978 or write to Cancer Insurance Settlement at PO Box 5358, Portland, OR 97228-5358.

THE SETTLEMENT BENEFITS

7. What does the settlement provide for Settlement Class members who had a claim under a supplemental cancer insurance policy?

The Defendants will establish a \$17,250,000 settlement fund to make payments to eligible Settlement Class members who had one or more claims under a supplemental cancer insurance policy, as well as to cover lawyers' fees, court costs, and expenses. The Defendants will also pay up to an additional \$250,000 to administer the settlement. The Settlement Agreement, available at the website, describes all of the details about the proposed settlement.

The "Special Master" (see Question 9) has recommended to the Court that 10% of the settlement fund be reserved to pay the various costs of the litigation and settlement, expenses, and taxes, including administering and distributing the settlement benefits. Additionally, the Special Master has recommended to the Court that 5% be reserved from the settlement to pay contingencies, such as assignments, liens,

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privileges, and other claims and contingencies. Any funds remaining after paying any individual claims or expenses will be given back to the Class at the discretion of the Court. An additional reserve up to 5% has been established to pay settlement or judgment amounts to Settlement Class members who decide they do not want to be part of the settlement (see “Excluding Yourself from the Settlement” below and Paragraph 52 of the Settlement Agreement) and litigation costs/expenses associated with litigating the claims of such persons/entities. Any funds remaining in such reserve after payment of settlement and judgment amounts and litigation costs/expenses will not be returned to the Defendants. More details are available in the Settlement Agreement and in the Special Master’s Report on Reserves at www.CancerInsuranceClass.com.

8. What non-monetary benefits does the settlement provide to current policyholders?

In addition to the settlement fund, for a period of 12 months after the policyholders’ next anniversary date, the Defendants will not raise premiums on the following active supplemental insurance policy forms: American Fidelity policies (C-3, C-4, C-5 and C-489); American Public Life policies (APL1, APLD, APLIC1, APLIC2, APLIC3, C440, GCPW); and American Public Life policies issued on or after April 28, 1987 (BDCPA and SCSD1). The Defendants will also notify current policyholders in writing that they have an option to switch, without penalty, to an alternative supplemental cancer insurance policy issued by the Defendants.

Please note that policies issued in Oklahoma, Texas and Georgia are not included in this additional relief.

9. Who will oversee the settlement fund?

An independent “Special Master” will oversee the settlement fund. Patrick A. Juneau has been appointed by the Court to be the Special Master. The Special Master will recommend to the Court how to allocate the money among Settlement Class members if and when the Court gives final approval to the settlement (see the section on “The Court’s Fairness Hearing” below).

10. What am I giving up to get a payment or stay in the Class?

If the settlement becomes final, Settlement Class members will give up the right to sue the Defendants for the claims identified in Paragraph 42 of the Settlement Agreement. The Settlement Agreement is available at www.CancerInsuranceClass.com. The Settlement Agreement describes the Released Claims with specific descriptions, in necessarily accurate legal terminology, so read it carefully. You can talk to one of the lawyers listed below for free or you can, of course, talk to your own lawyer if you have questions about the Released Claims or what they mean.

HOW TO GET BENEFITS

11. How can I get benefits?

Those Settlement Class members who submitted a claim under their supplemental cancer insurance policy do not have to do anything now to get a payment. Eligible Settlement Class members will receive a letter from the Special Master explaining the amount of money they can get along with instructions on how they will receive their payment. These letters will be mailed after the Court grants final approval to the settlement.

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12. How much compensation will I get?

The Special Master will propose how much money to pay each eligible Settlement Class member based on a formula he will present to the Court. The Court will then decide how much each eligible Settlement Class member gets. The exact amount that you could receive from the settlement cannot be determined at this time. You may be required to execute or acknowledge separate release documentation as a condition to your receipt of settlement compensation.

13. When will I get my benefits?

Payments will be mailed to eligible Settlement Class members only after the Court grants “final approval” to the settlement. However, even if Judge G. Michael Canaday approves the settlement after a hearing on September 25, 2008 (see the section “The Court’s Fairness Hearing” below), there may be appeals. These appeals must be resolved before any payments can be made, and resolving these appeals can take time. Please be patient.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep the right to sue or continue to sue the Defendants over the legal claims being resolved in this settlement, then you must take steps to get out of this settlement. This is called asking to be excluded from—or sometimes called “opting out” of—the Settlement Class.

14. Who can exclude themselves from this settlement?

If you made a claim under your supplemental cancer insurance policy you can exclude yourself from the settlement. However, if you are a current policyholder who has not filed a claim under your supplemental cancer insurance policy you cannot exclude yourself from the settlement.

15. If I exclude myself, can I get anything from this settlement?

No. If you exclude yourself, you will not get any payment from the settlement and may not get any benefits. Additionally, you cannot object to the settlement if you exclude yourself. But you may sue, continue to sue, or be part of a different lawsuit against the Defendants in the future. You will not be bound by anything that happens in this lawsuit.

16. If I don’t exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue the Defendants for the claims that this settlement resolves. You must exclude yourself from this Class to start or continue your own lawsuit, or to be part of any different lawsuit, with respect to the claims that this settlement resolves.

17. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail saying “I hereby request that I be excluded from the proposed Settlement Class in *Guidry*.” Be sure to include your name, address, telephone number, and your signature. You can’t ask to be excluded on the phone or at the website. You must mail your exclusion request postmarked no later than **September 18, 2008**, to:

THE LAWYERS REPRESENTING YOU

18. Do I have a lawyer in the case?

The Court has appointed a committee of attorneys, known as the Plaintiffs' Steering Committee or "PSC," to represent you and other Settlement Class members as "Class Counsel." The PSC includes: Arthur M. Murray, Stephen B. Murray, and Korey A. Nelson, The Murray Law Firm of New Orleans, LA; Thomas A. Filo and Richard E. Wilson, Cox, Cox, Filo, Camel & Wilson, L.L.P. of Lake Charles, LA; and Claude P. Devall of Lake Charles, LA. You will not be individually charged for these lawyers. If you do not exclude yourself from the settlement (see "Excluding Yourself from the Settlement" above) and you want to be represented by another lawyer of your choosing, you may hire one at your own expense.

19. How will the lawyers be paid?

The Special Master has recommended a reserve of up to 35% of the settlement fund for Class Counsel's attorneys' fees for work in litigating the case and obtaining the settlement. The Court may award less than the requested amounts to Class Counsel. Additional payments may also be awarded to the Class Representatives, who helped the lawyers on behalf of the whole Class.

OBJECTING TO THE SETTLEMENT

You can tell the Court if you don't agree with the settlement or some part of it.

20. How do I tell the Court if I don't like the settlement?

If you're a Settlement Class member, you can object to the settlement if you don't like any part of it. You must give reasons why you think the Court should not approve it. The Court will consider your views if you properly submit an objection on time. To object, you must send a letter saying that you object to the Cancer Insurance settlement and mention the case name (*Guidry v. American Public Life Insurance Company*) and case number (No. 2008-3465). Be sure to include (1) your name, address, telephone number, and signature; (2) proof of Class membership; and (3) the reasons why you object to the settlement and any supporting materials, papers, or legal briefs that you want the Court to consider. The objection must be mailed to the three addresses listed below with a postmark no later than **September 18, 2008**. Note: You may mail it to the Court, but it must be received by the Court and filed by that date.

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court Calcasieu Parish Judicial Center 1001 Lakeshore Drive Lake Charles, LA 70601	Arthur M. Murray Murray Law Firm Suite 1100 650 Poydras St. New Orleans, LA 70130	Kathleen D. Lambert Stephenson, Matthews, Chavarri & Lambert, L.L.C. 2305 World Trade Center 2 Canal Street New Orleans, LA 70130

21. What's the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you don't want to be part of the Settlement Class. If you exclude yourself, you cannot object to the settlement because it no longer affects you and you will not receive any settlement payment even if you are an eligible Settlement Class member.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement.

22. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing beginning at 10:00 a.m. on **September 25, 2008**, in a Courtroom at the Calcasieu Parish Judicial Center, 1001 Lakeshore Dr., Lake Charles, Louisiana 70601. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check www.CancerInsuranceClass.com. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. The Court will consider whether to approve the settlement and any proposed reserves, including reserves for attorneys' fees, expenses, and awards for Class Representatives. If there are objections, the Court will consider them.

23. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge G. Michael Canaday may have. But, you are welcome to come at your own expense. You may also pay your own lawyer to attend, but it's not required.

24. May I speak at the hearing?

You may go to the Fairness Hearing and ask the Court for permission to speak. The date and time of the Fairness Hearing is shown in Question 22. You cannot speak at the hearing if you excluded yourself from the Class.

IF YOU DO NOTHING

25. What happens if I do nothing at all?

You do not have to do anything now to get a payment. And, unless you exclude yourself, you won't be able to sue the Defendants for the claims that this settlement resolves.

GETTING MORE INFORMATION

26. How do I get more information?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement and other related documents about the settlement at

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www.CancerInsuranceClass.com. You may also call toll free 1-877-296-9978 or write to Cancer Insurance Settlement with questions at PO Box 5358, Portland, OR 97228-5358.

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