

IT IS ORDERED, ADJUDGED, AND DECREED that:

1. All capitalized terms used in this Final Order and Judgment shall have the meanings and/or definitions given them in the Stipulation entered into by or on behalf of the Settling Parties. A copy of the Stipulation is attached hereto as Exhibit 1;
2. The Settling Parties and the Settlement Class Members have submitted to the jurisdiction of the Court for purposes of the Proposed Settlement; the Court has personal jurisdiction over the Settling Parties; the Court has subject matter jurisdiction to release all claims and causes of action released in the Stipulation; and the Court has subject matter jurisdiction to approve the Stipulation, including all exhibits thereto;
3. The Proposed Settlement is fair, reasonable and adequate in light of the complexity, expense, likely duration of the litigation, and risks involved in establishing liability, damages and in maintaining a class action through trial. The Court hereby declares: (i) the Stipulation to be binding on all Settlement Class Members; (ii) the Stipulation to be preclusive in all pending and future lawsuits or other proceedings; and (iii) the Defendants may file the Stipulation in support of any defense or claim that it is binding on and it shall have res judicata and preclusive effect in all pending and future lawsuits or other proceedings maintained by or on behalf of, Plaintiffs and/or any other Class Members, as well as their heirs, executors and administrators, successors and assigns;
4. The Settlement Class is defined objectively in terms of ascertainable criteria, such that the Court may determine the constituency of the Settlement Class for purposes of the conclusiveness of this judgment and:
 - a. It is so numerous that the joinder of all members is impracticable;
 - b. There are questions of law and/or fact common to the Settlement Class;

- c. The questions of law or fact common to the members of the Settlement Class predominate over any questions affecting only individual members of the Settlement Class;
 - d. The claims or defenses of the Plaintiffs are typical of the claims or defenses of the members of the Settlement Class;
 - e. The representatives of the Settlement Class have fairly and adequately protected the interests of the Settlement Class;
 - f. Counsel for the Class Representatives and the Settlement Class have adequately represented the Settlement Class for purposes of entering into and implementing the Proposed Settlement;
5. The National Settlement Class ("the Settlement Class") certified in the Preliminary Approval Order defined as:

All persons who purchased Home Health Care ("HHC"), Nursing Home, or Long Term Care ("LTC") Policies from 1975 to present from the following companies: Conesco Senior Health Insurance Company (except for Preference and FQ series), American Travellers Life Insurance Company, ATL Life Insurance Company, Great Republic Life Insurance Company, Transport Life Insurance Company, Universal Fidelity Life Insurance Company, Pioneer Life Insurance Company, Conesco Life Insurance Company of New York (except for Preference, FQ and Solutions series), J.C. Penney Life Insurance Company, Continental Life Insurance Company, National Group Life Insurance Company and Health and Life Insurance Company of America ("Defendants"). Excluding from the Class the Defendants, their affiliates, subsidiaries, and any judicial officer presiding over the settlement

is hereby confirmed.

6. The notice methodology implemented pursuant to the Stipulation and as set forth in the Order on Class Notice: (i) constitutes reasonable and the best practicable notice; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise putative Settlement Class Members of the pendency of the Actions, the terms of the proposed Settlement, their right to object to or exclude themselves from the Proposed Settlement and to appear at the Settlement Hearing and that absent such opt-out, they will be submitting to the jurisdiction of the Court for

settlement purposes; (iii) constitutes due, adequate and sufficient notice to all persons entitled to receive notice; and (iv) meets the requirements of the United States Constitution, the Pennsylvania Rules of Civil Procedure and any other applicable rules of the Court;

7. The objections made to due process, constitutionality, procedures, substance and compliance with law, including but not limited to, the adequacy of notice and the fairness of the Proposed Settlement, lack merit and are hereby overruled for the following reasons:

8. The Stipulation was the result of extensive and intensive arm's length negotiations among highly experienced counsel, with full knowledge of the risks inherent in this litigation;

9. The amount of oral and written discovery, confirmatory discovery, and independent investigation by the attorneys and their experienced consultants, and/or experts conducted in this litigation to date, and the factual record compiled, suffices to enable the Settling Parties to make an informed decision as to the fairness and adequacy of the Proposed Settlement;

10. Each and every term and condition of the Stipulation and the Stipulation as a whole is approved as proposed and the Stipulation is made part of this Final Order and Judgment and is to be effective, implemented and enforced as provided in the Stipulation;

11. The Court orders that Plaintiffs and the Settlement Class, for themselves and for all of their respective heirs, executors, and administrators, and for their respective representatives, predecessors, successors, and assigns, release and forever discharge Defendants and their past, present, and future officers, directors, agents, employees, attorneys, advisors, representatives, predecessors and successors, corporate parent companies and subsidiaries, divisions, affiliates, shareholders, and the heirs, executors, administrators, successors, attorneys, and assigns of any of the foregoing (collectively "Defendants") from any and all claims, actions, suits, obligations, demands, promises, liabilities, costs, expenses, and attorneys' fees whatsoever (whether class or

individual in nature), whether based on any federal or state law or a right of action, in law or in equity or otherwise, which the Plaintiffs and the Class Members or any of them ever had, now have, or can have, or shall or may hereafter have regarding the policies set forth in the definition of the Settlement Class (the "Policies") (collectively, the "Released Transactions"), as follows:

(A) any claims arising out of any acts, failures to act, omissions, oral or written representations, facts, events, transactions, or occurrences set forth or alleged in the Actions or in any way related directly or indirectly to the subject matter of the Actions;

(B) any claims for fraud, non-disclosure, deceptive trade practices, or other claims related to premium increases, marketing, solicitation, application, underwriting, acceptance, sale, purchase, operation, retention, improper payment of premium, administration, replacement, or suitability of any Policies issued by any of the Defendants during the Class period, except for claims related to bad faith denial of claims;

(C) any and all acts, omissions, facts, matters, transactions, occurrences, or oral or written statements or representations made or allegedly made in connection with or directly or indirectly relating to the Settlement Agreement or the settlement of the Actions, except nothing in this Release shall preclude any action to enforce the terms of the Settlement; and

(D) any and all claims for attorneys' fees, costs, or disbursements incurred by Plaintiffs' counsel or by Plaintiffs or the class members, or any of them, in connection with or related in any manner to the Actions, the settlement of the Actions, or the administration of such settlement, except to the extent otherwise specified in this Settlement Agreement.

Plaintiffs and the Class Members expressly understand that Section 1542 of the California Civil Code provides that:

A general release does not extend to claims which a creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Plaintiffs and the Class Members hereby agree (i) that the provisions of Section 1542 are hereby knowingly and voluntarily waived and relinquished, and (ii) that the provisions of all similar federal or state laws, rights, rules, or legal principles of any other jurisdiction, to the extent that they are found to be applicable herein, are also hereby knowingly and voluntarily waived and relinquished.

In connection with this Release, Plaintiffs and the Class Members acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected or facts in addition to or different from those which they now know or believe to be true with respect to the matters released herein. Nevertheless, it is the intention of Plaintiffs and the Class Members in executing this Release fully, finally, and forever to settle and release all such matters, and all claims relating thereto, which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action);

12. The class action captioned *Irene Milkman v. American Travellers Life Insurance Company, et al.*, Case No. 03775, filed on June 29, 2000, is hereby dismissed with prejudice, and without attorneys' fees or costs to any party except as provided in the Stipulation and in this Order;

13. The Settling Parties shall jointly move for, and use their best efforts to obtain, the dismissal without prejudice of the pending actions captioned *Larry Blau and Janet Blau v. American Travellers Life Insurance Company, et al.*, Orange County Superior Court Case No. 00C03063 and *Alva Lane and Linda Pequegnat v. American Travellers Life Insurance Company, et al.*, San Diego Superior Court Case No. GIF 745641, within 30 days of this Order, retaining the status quo of all claims and defenses at the time of the dismissal without prejudice upon timely re-filing in the event that this Order is overturned on appeal, and request that the *Blau* and *Lane* courts retain jurisdiction to dismiss each action with prejudice, which the parties will jointly move for upon the running of the time to appeal from this Order or the denial of the last appeal from that Order.

14. The Court hereby bars and enjoins: (i) Plaintiffs, all Settlement Class Members and all persons acting on behalf of or in concert or participation with such Plaintiffs or Settlement Class Members, from filing, commencing, prosecuting, intervening in or participating in any lawsuit in any jurisdiction on behalf of any Plaintiffs or Settlement Class Member, based upon or asserting any of the Released Transactions; and (ii) all Plaintiffs or putative Settlement Class Members who have not timely and validly excluded themselves from their respective classes, and all persons acting on behalf of or in concert or participation with such Plaintiffs or Settlement Class Members from bringing a class action on behalf of Settlement Class Members or seeking to certify a class which includes such Plaintiffs or Settlement Class Members in any lawsuit

(including by seeking to amend a pending complaint to include class action allegations, or seeking class certification in a pending action) based upon or asserting any of the Released Transactions;


15. Under applicable law, including, Pa.R.C.P. 1701-1716, Pennsylvania Rules of Civil Procedure, the Stipulation was entered into in good faith, at arm's length, and is fair, reasonable and adequate and in the best interests of the Settlement Class;

16. In addition, the Court further declares that counsel for Plaintiffs and the Settlement Class shall be entitled to reasonable attorneys' fees and reimbursement for reasonable costs incurred in reaching this settlement and the Class Representatives are entitled to incentive awards. The Court hereby awards counsel for Plaintiffs and the Settlement Class attorneys' fees and costs in the amount of \$ 4,500,000.00 and total incentive awards to Class Representatives not to exceed \$ 40,000.00.

17. The Court retains continuing and exclusive jurisdiction over the parties to the Stipulation for all purposes necessary or proper: (1) for the consummation, administration, supervision, interpretation, construction and/or enforcement of the Stipulation and the Final Order and Judgment; (2) for supervising the management and disbursement of the Settlement Benefits; (3) to protect and effectuate the Final Order and Judgment; and (4) for any other necessary purpose.

JUDGMENT RENDERED AND SIGNED in Philadelphia, Pennsylvania, on this 1st

day of April, 2002.


Honorable John W. Herron, Judge